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# Southeast Asia Report

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3 DECEMBER 1986

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INTER-ASIAN AFFAIRS

PAPER ON FRANCE'S 'NEW IMAGE OF BENEVOLENCE'

HK280720 Wellington THE EVENING POST in English 22 Oct 86 p 30

[Report by NEW ZEALAND PRESS AGENCY staff correspondent Nick Brown]

[Text] France is projecting a new image of benevolence towards the South Pacific under the right-wing Government of Mr Jacques Chirac.

The driving force behind a policy of increased French economic and technical aid to the region, Mr Gaston Flosse, denies that France is trying to curry favour to gain acceptance in a South Pacific community opposed to French nuclear testing at Mururoa and its policy on New Caledonian independence.

Mr Flosse, soon after his re-election in March as President of French Polynesia, was appointed by Mr Chirac to the newly created position of secretary of state for South Pacific affairs--the first time a South Pacific Islander has been appointed to the French Cabinet.

In a recent speech he pointed out that France is allocating \$NZ1372 million a year for development in the South Pacific, the bulk of it being spent in the French territories of New Caledonia, French Polynesia and Wallis and Futuna.

He compared this performance to New Zealand's \$75.5 million aid to the region and Australia's \$651 million.

In an interview in Papeete he maintained that such spending was not a case of France trying to buy friends and influence. "Unfortunately under other governments, France had no policy in this region," he said.

"Mr Chirac appointed me as secretary of state for South Pacific affairs because he felt it was the only way for France to be represented to radiate its policies through the South Pacific.

"Help will only be given at the request of countries and in areas they have defined themselves. We are not wanting to impose ourselves on them."

Mr Flosse said he hoped to visit both Australia and New Zealand early next year to clear up what he believed was a "lot of misunderstanding" on France's role in the Pacific.



He wished to increase efforts to normalise French relations with New Zealand after the "bad experience of the Rainbow Warrior."

As head of the French Polynesian Government, he sees the territory as a showpiece for the South Pacific and wants to share its technological and scientific skills with other nations in the region.

Among projects in the pipeline which French Pacific territories could make a major contribution to the region's development is a French University of the South Pacific, with a Tahiti campus due to open next October, and a New Caledonia campus following in January 1988. It will be open to students from all islands in the Pacific.

Mr Flosse said the French Pacific territories could make a major contribution to scientific research.

About 500 French researchers and technicians are engaged in work varying from a study into ciguatera (a fish disease prevalent on many Pacific coral reefs and source of potentially lethal food poisoning), marine farming and coconut tree cultivation.

French largesse has so far made little impact on the South Pacific Forum countries at a political level. Mr Flosse's efforts to gain observer status at the Forum have failed 2 years running, and he does not see much point trying a third time.

The Forum, whose full members are government heads of independent countries in the South Pacific, decided in Suva in August that observer status would only be given to Pacific Island countries on the verge of achieving self-government.

"I feel if the rules are not changed as to observer status, it is unnecessary for us to apply again," he said.

"The Cook Islands and Niue are members and apparently the Forum has accepted the Federated States of Micronesia as a member. They are not independent countries. Is it a matter of guidelines or a political issue?

"Or is it, as some people have said, a private club reserved for Commonwealth territories?"

Since 1984 French Polynesia has enjoyed increased autonomy, and Mr Flosse is seeking more, but without severing links with Paris. "We wish and intend to keep French nationality and remain with the Republic. We recognise that France should take care of the defence, currency and diplomatic affairs," he said. "But the intention is to give more initiatives to the leaders of the country."

While France, in Mr Flosse's words seeks "solidarity with the Pacific region," it shows no signs of wavering to outside pressure against its nuclear testing programme.

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CSO: 4200/120

AUSTRALIA

OPPOSITION LEADER HOWARD INTERVIEWED, CITES PLANS

Sydney THE BULLETIN in English 4 Nov 86 pp 22-24, 26

[Article by David Barnett]

[Text] AT 9.30am on Saturday November 8 John Howard and most of his 72 federal Liberal colleagues will meet in the conference room at the Thredbo Alpine Village to discuss a topic which the opinion polls have put firmly in their minds: their first six months in government.

While the families of the MPs and senators recover from the previous night's dinner, play tennis, ride ponies or hike through the alpine meadows around the Snowy Mountains resort the politicians will work on plans for implementing immediately their policies in the two critical areas of taxation and industrial relations.

Howard is not a betting man (the effects of his Methodist upbringing remain too strong) but he does rate the coalition as 75 percent certain to win the next election. In racing parlance, the coalition's odds would be 3-1 on.

The next election is 12 to 18 months away but Howard continues to be buoyed by the polls. With that confidence behind him, he is laying plans to attack the business of government with gusto. The basic idea is to move quickly, to introduce the most important — and controversial — reforms as soon as possible.

It sounds very much like those exciting, and bewildering, early days of the Whitlam government, when Gough Whitlam and deputy Lance Barnard thrashed about transforming the political and administrative landscape.

Howard is unhappy with the suggestion that he wants to "do a Whitlam".

"Oh no!" he says. "That was the joy of the tart shop. The whole emphasis of the weekend in Thredbo is preparing for government — hitting the ground running and having a lot of well-prepared ideas for the shape of the administration, the approach to government and the style of government. The way you set the style of government in the first couple of months is tremendously important to one's decision-making capacity. The reality is the capacity to change the whole style and approach of government is virtually nonexistent after you've been there for a few years.

"What I intend to do is to change quite significantly the style of doing things from the past but it's got to be done in the first few weeks. In the key strategic areas I want to have plans worked out so that we can start straight away. I think the tolerance cycle of government is short. You really do have to maximise what you do in that first six months because in that first six months there's a tolerance towards government. You have to squeeze the lemon dry."

The two areas in which Howard wants to hit the ground running and squeeze the lemon dry, to use his mix of metaphors, are taxation and industrial relations.

Howard has yet to be specific about his tax plans, particularly about his plans for taxing executive perks. With the government in such a state of flux over the fringe benefits tax, he says, it would be poor politics to spell out his

proposals. "I'm entitled to plead strategy occasionally," he says. "If we were having this interview in 12 months time (that is, just before the election) and I was still maintaining that line, you'd be entitled to put acid in your pen and have a go at me."

An alternative explanation for Howard's refusal to be detailed on tax is that he has yet to work out the details. His critics would argue that it is all too hard for him — that he is no more able than Prime Minister Bob Hawke to pick the path through the political and administrative minefield that lies before the perfect taxation policy. But it is more likely that Howard does not yet want to think through the details, that he wants to see what the political and economic circumstances — and climate — are like closer to election day.

It is possible, however, to work out from Howard's answers in this interview, and from statements made elsewhere, the main points of Howard's tax strategy. He would, as he has said, abolish the fringe benefits tax, as it is a tax on a company's cash flow, not a tax on profits. Any tax on executive perks would be imposed on the recipient. He would, as he wanted to do in government, broaden the indirect tax base, at the very least moving towards a broad-based consumption tax. This would allow room for a Reagan-style drastic reduction in personal and company income tax rates. "I think that Reagan has put his finger on the key to incentive-driven taxes," he says. "Lower marginal rates . . . that's the key. I'm not going to put my finger on numbers. I can't. But the principle of lower marginal rates, of spreading the method of collecting taxes in a broader way, of having a more level playing field, a more neutral system, it's got to be better."

When it comes to taxing fringe benefits, Howard says he would not tolerate "abuses that involve tax avoidance". The precedent here is his decision as Treasurer in 1979 to crack down on the payment by companies of school

fees for executives' children. But I suspect that other perks might fare better. Companies might be able to argue, for instance, that supplying senior managers with smart-looking cars is a way of presenting their enterprises in the marketplace and is a legitimate business expense and that, under certain circumstances, executive lunches are, too.

But the real force of argument, to which Howard would be more receptive, would come from the industries hit by the business taxes — the motor vehicle producers and dealers and restaurants. How Howard would respond to their arguments would depend on the state of those industries in a year's time. But if we can expect that Howard would listen seriously to their arguments he would logically also have to be receptive to arguments for abolishing the capital gains tax and restoring negative gearing.

Providing incentive is the philosophy underpinning Howard's tax thinking. It also will be an important factor when the Liberals consider, at Thredbo, the implementation of their industrial relations policy. A main aim of the policy is to break down union power by diffusing it — by reducing the centralised authority of the Arbitration Commission and hence of the Australian Council of Trade Unions and the big union juggernauts.

The union movement will rightly see this as an attack, so the planning for the early months of government will include the introduction of sweeteners designed to appeal to rank and file union members — including profit sharing and tax incentives for employee share-ownership.

The other policy which presses in as Howard's mind's eye surveys the delicious prospect of government is administration. He is attracted to the concept of large departments presided over by a senior minister, with junior ministers supporting him. He gives the example of the Treasury: he would remerge the departments of Treasury and Finance. The Treasurer would control the domain while three junior ministers would be "looking after the housekeeping of expenditure, the housekeeping of revenue and the other doing the odds and sods".

This idea — once the well-practised bureaucrats of Canberra get hold of it — has the potential to cause an explosion of departments. But Howard wants to use the super-department concept to reduce the number of departments allowing the main minister to keep control of policy direction without having to worry about the minutiae of administration. "I think that would enable the Treasurer to concentrate on the big issues," he says. "I think probably in his private moments (the Treasurer) Paul Keating would probably agree with me. I don't know; I haven't talked to him about it."

THREDBO Alpine Village once had a trendy "snow-bunny" image but which in recent years has re-directed its marketing to boost its family appeal. It is an appropriate setting for a Liberal revival meeting, for a party which is moving to the right and is stressing old-fashioned values, including the importance of the family.

The meeting is based on a heroic presumption: that the Coalition will gain power because the Hawke government is on an almost-irreversible downhill slide; that it has exceeded the elastic limit of that "tolerance" to which Howard refers. One of the reasons for his confidence relates to the family. "The tax burden on family groups is going to be an increasing problem for them," he says.

Another serious difficulty he sees for Hawke is the one which skittled Malcolm Fraser — broken promises, particularly those which alienate the government's normal supporters. "I think the problems they have is one of disappointed expectations," he says. "I mean, there's no way I'm going to run around and disagree with their uranium decision but part of staying in government is not alienating your natural constituency." Are there, then, parallels between the Fraser and Hawke governments? "Oh yes," he says. "You have to see some."

Howard has a political point to score here — that Hawke will lose as surely as Fraser did — but this is also "Honest John" coming out. It is a label which Howard, accepts happily, without any hint of acknowledging the irony of such a nickname being applied to a politician.

"I don't mind it," he says. "I think trust, predictability and integrity... if people want to put that on me, that doesn't bother me at all. Without sounding overblown, I endeavor to be fairly candid."

Only Howard knows how candid he was being when discussing that well-leaked Liberal Party research which was said to show that the Hawke government was losing the trust of the people — but on the face of it he was at least half-way honest. "There's an element in that research," he says, "of the government going down and us going up. It's more positive about us and about me than previous research. Like all Oppositions mid-term, it would not be 100 percent rapture, but it's more positive. Because it's (research into) middle Australia, it has some Aussie cynicism about all of us."

"Honest John," however, has an interesting approach to the problem of political compromise — an approach which will be tested severely in the heat, anger and frustration of an election campaign. This is to restrict the promises, so that performance becomes that much easier. "I am very obsessed with the notion that it's better to promise half of what people expect and deliver on it, than to promise everything and deliver on only half," he says.

In the end, if his judgment is right he will not be overburdened by a swag of specific promises. "If I have one clarification call that I'll run the election campaign on, that is providing people with incentives," he says. "The weakness with consensus is that it is a mechanism rather than a driving force. Consensus doesn't make you go out and invest your money and do something, whereas giving people an incentive does. I think that will be the big difference. I mean, if Howard's got 'incentive' above his head and Hawke's got 'consensus', I think I will give him a 5 percent chance, not 25 percent." □

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CSO: 4200/112

INDONESIA

SUPREME COURT REJECTS DHARSONO'S APPEAL

Jakarta MERDEKA in Indonesian 11 Oct 86 p 1

[Text] The Supreme Court has rejected the appeal made by Hartono Rekso Dharsono, the 56-year old former commander of the Siliwangi Division and secretary general of ASEAN, and reconfirmed the Jakarta High Court's decision sentencing him to 7 years in prison, less time in custody, for subversion.

At the Central Jakarta State Court yesterday afternoon MERDEKA learned that the Supreme Court Council, headed by Adi Andoyo, had decided on 8 October 1986 to reject the defendant's appeal.

Dharsono was brought before the Central Jakarta State Court and accused of holding a subversive meeting in the house of A. M. Fatwa on Kramat Pulo Gundul Street; the purpose of the meeting was to plan a series of bombings in Jakarta.

Prosecuting attorney Bob R. E. Nasution asked the court to sentence Dharsono to 15 years in prison, less time in custody; the council of judges of the Central Jakarta State Court, headed by Sudiyono, sentenced him instead to 10 years in prison, less time in custody.

Because he was not satisfied with the decision of the lower-level council of judges Dharsono appealed to the Jakarta High Court, and his sentence was reduced to 7 years.

Still not satisfied with the decision of the Jakarta High Court Dharsono appealed to the Supreme Court, which rejected his appeal and reconfirmed the Jakarta High Court's decision.

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CSO:4213/13

INDONESIA

LEGAL AID INSTITUTE STOPS HANDLING 'SUBVERSION' CASES

Jakarta MERDEKA in Indonesian 11 Oct 86 p 1

[Text] As of Friday 10 October the Jakarta Legal Aid Institute (LBH) will no longer handle cases of subversion. This decision was taken at last Thursday's [9 October] meeting of the LBH with Adnan Buyung Nasution, coordinator of the Subversive Case Defense Team.

This surprising decision was interpreted by members of the legal profession as the beginning of a more moderate position on the part of the LBH.

When he was questioned by MERDEKA in his office yesterday, Abdul Hakim Garuda Nusantara, director of the LBH, said that there were several basic reasons for taking this position; it was not taken in order to attract donors into loosening up the freeze in giving funds to the LBH.

First, said Abdul Hakim, the LBH has had a serious problem recently--a shortage of legal staff. It has been difficult to recruit new lawyers. Second, the number of cases handled by the LBH has kept on increasing. "At least 10 people come to see us at the LBH every day," said Abdul Hakim.

Third, LBH wants to give other legal institutes, for example IKADIN (Indonesian Advocates Union), the opportunity to take part in handling cases of subversion.

Abdul Hakim admits that up to now the LBH has been tenaciously struggling for the legal rights of clients in various cases, including cases involving subversion, but "what is the use of such tenacity if it ends up making things hard for us, in particular making it hard for us to handle cases for indigent clients?" he asked.

"Frankly, we don't want to sacrifice other cases just to handle a case of subversion," added Abdul Hakim.

He said that the LBH's decision would certainly disappoint some people, especially clients who wanted to hand their subversion cases over to the Institute. "But what can you do; there are legal aid societies which can afford to handle such problems," he said.

Abdul Hakim denied the view that their recent handling of cases involving subversion was merely for public consumption. "We're not looking for publicity; we're struggling for legal rights," said Mas Achmad Santosa, head of LBH's public relations, who was with Abdul Hakim during the interview.

In response to questions, Abdul Hakim confirmed that one of these days the LBH would appear in court to handle a case of subversion even though they had decided not to deal with such cases any longer. This should not be misunderstood, however; this is just a left-over case involving an HK [work contract].

#### Funds are Drying Up

In fact, Mas Achmad Santosa admitted that funds for the LBH have been drying up recently. In a surprise move, the government of the DKI [Jakarta Autonomous Area] stopped funding the LBH last April. As a result, the LBH has been trying to increase efficiency and find funding for previously-scheduled projects.

In this connection, Abdul Hakim strongly denied that the LBH's decision not to handle cases of subversion any more was taken just to help cash flow. "We increased our employees' wages just as our funding was decreased," said Mas Achmad Santosa.

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INDONESIA

DEPOSITORS URGED NOT TO WITHDRAW FUNDS

Jakarta MERDEKA in Indonesian 15 Oct 86 p 1

[Text] The government has urged members of the public not to withdraw their bank deposits before the due date; doing so would inflict losses on the depositors and subject them to a penalty.

This statement was made by Arifin Siregar, governor of the Central Bank, after he and Minister of Finance Radius Prawiro had reported to President Soeharto about their recent trip abroad. It was made in response to questions from reporters at the president's residence on Cendana Street. Also present at the meeting were Minister and State Secretary Soedharmono and Minister and Head of BAPPENAS [National Planning Council] Soemarlin.

Arifin said that some deposits had been withdrawn before their due date; nevertheless time deposits in all banks were on the whole higher after the devaluation than before.

"Before the devaluation deposits totaled about 10.339 trillion rupiahs, and after the devaluation this figure rose to 10.517 trillion rupiahs," he said.

Arifin Siregar reminded depositors not to withdraw their savings before the due date.

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INDONESIA

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta]

AIR FIRST MARSHAL SUGIANTORO--Two weeks ago Chief of Staff of the Air Force Air Marshal Oetomo inaugurated Air First Marshal Sugiantoro as commandant of the Air Force Education Command, replacing Air Vice Marshal Yahman. Sugiantoro was formerly director of Air Force Training and Operations. Yahman was inaugurated as commandant of the Air Force Operational Command II, located in Ujungpandang. He is replacing Vice Marshal Wardoyo Kusumo, who has become Deputy Chief of Staff for Personnel. [Text] [Jakarta TEMPO in Indonesian 27 Sep 86 p 17] 9846

MAJ GEN (RET) WIDYA LATIEF DIES--Maj Gen (Ret) Widya Latief, 63 years old, former director general of the Department of Foreign Affairs protocol office, died last Sunday afternoon [21 September]. Born in Bukittinggi, West Sumatra, he was a long-time military attache in the United Arab Republic and in Thailand. Before becoming director general of protocol in 1974, Widya was a private assistant to President Soeharto. [Excerpts] [Jakarta TEMPO in Indonesian 27 Sep 86 p 17] [9846]

BRIG GEN MOERDIONO PROMOTED--Drs Moerdiono, cabinet secretary, met with President Soeharto at the president's office where he reported that he had been promoted from brigadier general to major general in the Indonesian National Army. Moerdiono is a graduate of the Public Administration Institute (IIP). After serving his required military duty he enlisted. Before meeting with the president he reported to Commander in Chief Gen L. B. Moerdani about his promotion, effective 1 October 1986. Moerdiono was born in Banyuwangi 50 years ago. [Text] [Jakarta SINAR HARAPAN in Indonesian 6 Oct 86 p 1] [9846]

BRIG GEN (RET) SUMRAHADI DIES--Army Brig Gen (Ret) H. Sumrahadi Partohadiputro, 62 years old, head from 1972 to 1977 of the HANKAM [Defense and Security] information center, died at dawn yesterday. Sumrahadi's last post, which he held from 1977 until his death, was as a member of the ABRI [Armed Forces] faction in the DPR [Parliament]. He had been military attache in Manila, [a student] at the Army Command and Staff School in Bandung in 1963, head of the Army Information Service in Jakarta in 1971-1972, head of the HANKAM information center at Army Headquarters in Jakarta from 1972 to 1977 and finally member of the Indonesian Parliament from the ABRI faction. [Excerpts] [Jakarta KOMPAS in Indonesian 13 Oct 86 p 12] [9846]

BRIG GEN DRS SEDIA OETOMO--Police Maj Gen Drs Soebagjo, head of the East Java provincial police, inaugurated Brig Gen Drs Sedia Oetomo as East Java deputy police chief in a ceremony at provincial police headquarters. Brig Gen Drs Sedia Oetomo, who had served at the Police SESDITLOG [Logistics Directorate Staff School] in Jakarta, replaces Brig Gen Drs Darminto, who had served in that position for a long time and whose new post will be as director of the Police Education Directorate in Jakarta. [Excerpts] [Jakarta HARIAN UMUM AB 15 Oct 86 p 6] [9846]

CSO: 4213/13

NEW ZEALAND

NATION'S SECURITY OUTLOOK, SOCIAL ISSUES CRITICIZED

Sydney THE BULLETIN in English 4 Nov 86 pp 106-108

[Article by John Laffin]

[Text] MAROONED in splendid and almost defiant isolation in the oceanic wastes of the South Pacific, New Zealanders seem to have the idea that the great events which almost daily shake Europe, Asia and the Americas will safely pass them by.

Pride in isolation shows itself in some intriguing ways. The customs declaration card handed to incoming visitors notes that "New Zealand is free from many pests and diseases found in other countries ...". It can stay that way only if the government views "pests and diseases" more broadly.

It might have been expected that at least two recent events would teach them that isolation does not insulate from foreign interference in their affairs. One was the French assault on New Zealand integrity with the sinking in Auckland Harbor of the Greenpeace ship, *Rainbow Warrior*. The other is the ongoing dispute with the Americans over the New Zealand refusal to permit US warships into its harbors on the grounds that they might be carrying nuclear weapons. New Zealand has declared itself nuclear free. This is a noble sentiment; unfortunately other countries have not made the same declaration about New Zealand.

Another issue links New Zealand with the dangerous world of modern Islam — the sale of mutton and of live sheep to several Middle Eastern countries, notably Iran, Saudi Arabia and Kuwait. Sheep have to be slaughtered in New Zealand by the ritualistic *halal* method; the animal is not first stunned but bleeds to death after having its

throat cut as it faces Mecca. Slaughterers must be Moslems, which accounts for the presence of some of the 4000 Moslems in New Zealand. Many farmers, especially those in Southland, object to this type of slaughter but as New Zealand has little of anything to export on competitive terms it is not surprising that it makes the most of its mutton, killed according to *halal* or not.

The export of live sheep is quite another matter. Large and increasing numbers are being sold to Saudi Arabia for slaughter by Moslems making the pilgrimage (*hajj*) to Mecca. Every one of the two million or so Moslems reaching Mecca each year is required to slaughter a camel, goat or sheep in ritualistic sacrifice. The trade is worth a lot of money but it causes unease in New Zealand.

Because they are naive — ignorant is a more honest word — about world affairs, parliamentarians and government officials appear to be unaware that in the harsh world outside trade is closely linked to politics. By making itself so largely dependent on Middle Eastern markets New Zealand is vulnerable to the political pressures which will almost certainly be applied. This does not mean that trade should cease — simply that the government and its servants should be aware of the risks.

While visiting Christchurch I sat on a wall of a fountain in a fine new shopping mall where I struck up a conversation with a New Zealander in her mid-30s. I mentioned that I had not been in her city for many years but that in essentials it had changed little. What had

brought me back? she asked. I explained that I was making a lecture tour and that my principal topic was Islam. "Islam?" she repeated. "Oh yes, that's a kind of health cure, isn't it?" With the Moslem massacre of Jews in an Istanbul synagogue and the Karachi Pan Am hijack atrocity then a few days old her supposition was not really funny.

As I had already been in New Zealand a week the woman's ignorance did not surprise me. At the Ministry of Foreign Affairs in Wellington I had met the official "in charge" of Africa and the Middle East, a stupendously large area for one person to cover. He told me that the New Zealand government and its civil service had not a single staff specialist on the Middle East. On another occasion a radio interviewer referred to Crete as "one of those Caribbean islands".

New Zealanders are such warm-hearted, friendly people that I criticise their ignorance with reluctance. Of course, there are informed individuals. One of them is Sonja Davies, head of New Zealand's United Nations International Year of Peace Committee, which sent a delegation to New York to discuss world opinion of the United Nations. "The average New Zealander just doesn't think of the UN or if they do think of it at all they see a club for elderly people," Davies said. "We need to talk about the UN in schools, to make more use of UN films and videos and invite UN experts out here to speak."

Davies' use of "out here" is significant. Many New Zealanders are conscious of the out-here distance which separates them from the nastier aspects of international life. Davies regards distance as a handicap but it lulls many New Zealanders into a false sense of security; they see it as protecting them from the nastier aspects of the northern hemisphere — terrorism for instance.

Security against terrorism is virtually non-existent in New Zealand. To be able to walk unchallenged into the House of Parliament in Wellington is refreshing for somebody based in dangerous London, as I am, but alarming. Airport security is a sick joke. When I left Auckland on an international flight a woman security officer waived a metal detector over me and it screamed alarm above two of my pockets. "I have a metal spectacle case in

one pocket and a heap of small change in the other," I said. She believed me and made no further check. For such laxity she would have been fired from any security job in Europe.

During my lecture tour I spoke of sleepers planted in New Zealand by Islamic Jihad Organisation. The structure of this holy war organisation is so well known in Europe and the Middle East that it hardly warrants space in a newspaper. Most journalists to whom I spoke in New Zealand had never heard of it. But given its existence, they said, what possible interest could it have in New Zealand? One reason is simply that New Zealanders do not appreciate their own desirability as a long-term target. Even after being the target of French and American exploitation and bullying they still do not understand their importance in terms of geopolitical strategy.

That somebody was listening to my warnings was evident from an editorial in *The Evening Post* which began: "The carnage caused by terrorist action over the weekend should make us re-check our own defences. Whilst New Zealand is outside the arc of Islam and beyond its troubled periphery, neither distance nor a lack of involvement in the Middle East seems to offer security." I had made this point in the same words at a press conference the previous day.

Before defences can be rechecked it will be necessary to convince Foreign Affairs that problems exist. The gentleman from the Ministry who is "in charge" of Africa and the Middle East — and he seems to be serious in this claim — is not aware of any danger. However, he said, when information or advice was needed the Australians, British and even the Americans could be counted on for help.

The Americans have publicly stated that as New Zealand has in effect withdrawn from ANZUS the US is no longer under any obligation to protect New Zealand from attack but I learned that American intelligence is still available to New Zealand at the military level. Defence chiefs are generally co-operative even when their political masters have fallen out, as have Prime Minister Lange and President Reagan.

My warning in New Zealand that Islamic Jihad has sleepers bemused some people. It seems that many New Zealanders do not even understand the term yet every great power has for centuries used agents in deep cover to pass

back economic, political, social, personality and military assessments. Islamic Jihad, which is an amalgam of many terrorist organisations, is openly at war in parts of Europe, Asia and the Middle East against some Arab states, Israel, and the West, notably the US, France and Britain. For the moment it is quiescent in the southern hemisphere and only a few sleepers are needed to provide the information necessary.

New Zealand ministers have been roving this year and no doubt the experience and knowledge they gain will percolate through into the government system. For instance, Mike Moore, Overseas Trade and Marketing Minister, on mission in Moscow, has found that the Russians are the best capitalists in the world when it comes to hard bargaining. New Zealand's trade with the Soviet Union is almost all agricultural and based solidly on wool sales for textiles. It is marked by Russian determination to buy at cheap prices. New Zealand exporters have been frustrated by the Russian refusal to make long-term buying commitments. Moore found evidence that the Russians want better trade links in the Pacific. The Russians told him that New Zealand traders are closer to some parts of the Soviet Union than the Russians are to the west of their country. It's a point which needs to be kept in mind by departments other than that of Overseas Trade, the Ministry of Defence for instance.

Ordinary life in New Zealand has a delightful level of whimsy and within the space of a few days I collected several examples of unconscious humor, ingenious private enterprise and Kiwi get-up-and-go. The *Southland Times* reported Councillor J. T. Hicks as complaining that certain steps proposed by the council would be "jumping the gun". The councillor said: "If we cause an upheaval now the impotence we have generated could be lost." In the same vein *The Wairarapa Times* noted that a Ms Howden feels "that there are a lot of misconceptions about family planning clinics".

In Auckland I saw a van labelled GRAFFITI CONTROL SERVICE, surely a form of initiative which could catch on anywhere in the world. At the time the van was travelling at 110km/h so it may have been answering an emergency call.

Researchers at the Glenariffe Salmon Research Station on the Rakaia River have found a way to control the sex of salmon to improve fish size. The sex reversal method produces female salmon and then changes their physical characteristics to male salmon. Station scientist, Kerry Hopkins, said: "Salmon farmers find that males tend to mature too early when they are two years old and are still too small to bring good prices on the markets. On the other hand female salmon take about three years to mature and are larger when they are sold."

Parliament had its moments of fun. The Opposition Transport spokesman announced that Wellington's Radio Windy had broadcast a report that a cabinet minister had been seen driving a car, reading what looked like a Sunday newspaper spread across the steering wheel. The minister in question, he said, was Mr Richard Prebble, minister in charge of road safety. Mr Prebble said that the idea that anybody, including a minister of the crown, would actually be able to drive through Wellington's streets while reading a newspaper was "just absolutely incredible". "And I might indicate," he said, "that on that particular day I was then driving with my wife and the idea that Nancy would allow me to drive reading a newspaper . . ."

I found this bit of nonsense more engaging than Sharon Crosbie's interview on national television, with Ms Helen Clark, chairperson of the influential parliamentary foreign affairs committee. Crosbie asks placid questions and, from this interview at least, received dull responses. Not that Clark is dull but she is so sure of her grasp of foreign affairs that she is alarming: in fact she is ill-informed and she over-simplifies problems. Some interesting people turn up in New Zealand but few seem able to reach Clark's committee to impart information on their particular subject.

Unable to get government permission to open an office in Australia the Palestine Liberation Organisation and its local supporters are trying to establish the organisation in New Zealand. They could then attack Australia from the flank by pointing to the existence of an office in neighboring New Zealand. It is not at all certain that New Zealanders understand these tactics.

A national crisis which does alarm many New Zealanders is the danger

that Rotorua, the bedrock on which New Zealand's tourism is built, could run out of steam for its famous geysers. Of the 150 geysers active in the 1950s only six remain, all in Whakarewarewa, the main area of geothermal activity in Rotorua. The trouble is that many people, hotels and other businesses have for decades been drawing off Rotorua's steam and hot water for cheap power and heating. Some residents frankly admit that they have never paid a power or heating bill in their lives. National government and local government are belatedly alarmed; without its sprouting geysers, bubbling mud and boiling water Rotorua would have little tourist appeal.

The biggest social problem which faces New Zealand is that of the relationship between the Maoris and the white New Zealanders, or Pakeha. For generations Pakeha and Maori have lived in more or less integrated harmony and educated Maoris have found their way into every walk of New Zealand life. Until relatively recent years there was no such thing as a race relations' problem. Now certain Maori activists seem to be trying to create a self-inflicted apartheid. This is the result of their often exaggerated efforts to recreate the traditional Maori culture. Many white New Zealanders complain that the Maoris are themselves practising racism by regarding the Pakeha as inferior. The Maoris are certainly more politically aggressive than we. I last saw them in the 1950s. Maoris and Pakeha are completely equal but Maori demands for additional "rights" of various kinds seem to be alienating many among the white New Zealand community.

The dilemma over how traditional Maori fishing rights are to be reconciled with Pakeha law is a case in point.

Recently Christchurch High Court Judge, Mr Justice Williamson issued the historic decision that traditional Maori fishing rights contained in the Treaty of Waitangi take precedence over Pakeha fishing laws and regulations. The right was not tied to land ownership as it has been in the past and was deemed to be able to be transferred between tribes. The decision has catapulted the Ministry of Agriculture and Fisheries into a situation it had not expected to face yet.

The nation has to face other unpalatable problems. One is that New Zealand's child health care record — once the envy of many developed nations — has declined to the level of a poor, Third World country. Auckland Medical School's professor of paediatrics, the internationally respected Bob Elliott, said: "There are huge pockets of Third World disease in the country. You don't have to go to Soweto or Bangladesh to find problems — they're on our doorstep."

New Zealanders are convinced that Australians are jealous of them and especially of those Kiwis who have succeeded in Australia. Successes are there in plenty but 16,200 of the 191,500 New Zealanders resident in Australia are living on Australian welfare and could be considered failures. If all of them were to return to New Zealand at the one time the country would face difficult economic problems in sustaining them.

Many events, most of them originating abroad, could have traumatic effects on New Zealand as it seeks to plot a course in a dangerous world without the benefit of previous experience in handling the types of crisis now so familiar to the rest of the Western world.

To the observer from abroad New Zealand looks like a sitting duck — and a sleeping one at that. □

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PHILIPPINES

FIRST AQUINO REPRESENTATIVE VISITS SOVIET UNION

Deputy Foreign Minister Meets Counterpart

Manila MANILA BULLETIN in English 30 Oct 86 pp 1, 16

[Text]

MOSCOW (AFP)—Leticia Shahani, the Philippines' deputy foreign minister, met with Soviet officials last Tuesday, in the first visit to Moscow by a representative of the Aquino government, it was announced here.

A Soviet foreign ministry spokesman said Mrs. Shahani, who arrived here late Sunday, had met the deputy foreign minister in charge of Asian affairs, Mikhail Kapitsa, as well as a senior trade official.

She leaves Friday, after a trip to Minsk.

The Philippines' new ambassador to the Soviet Union, Alejandro Melchor, assumed duties last August.

Soviets Assure 'No Contacts' With NPA

HK071103 Manila THE MANILA CHRONICLE in English 7 Nov 86 p 6

[Text] The Soviet Union has assured the Philippines that it has no contacts with the Communist New People's Army, according to Deputy Foreign Minister Leticia Ramos-Shahani.

In a press briefing, Shahani said the assurance was made during her recent meeting in Moscow with Soviet Foreign Minister Mikhail Kapitsa. She said Kapitsa told her that the Soviet Union views the communist insurgency problem in the Philippines as the country's internal affair.

Shahani said she had to bring to the attention of the Soviet Government the insurgency issue in view of the current efforts of the Aquino government to attain political stability and economic recovery.

She added her meeting with Kapitsa and other ranking Soviet officials touched on bilateral issues affecting the relations between the two countries.

Kapitsa, Shahani said, also stressed that the Soviet Union would adhere to its non-interference policy in the internal problems of other countries.

On trade and transfer of technology, Shahani said, a group of Soviet experts will visit the Philippines next year to assess the lignite coal deposits in Isabela.

A 5-year plan to put up a lignite coal processing plant in Isabela was drawn up with the assistance of Soviet Government. Lignite coal is widely used in Russia.

On possible Soviet hiring of Filipino workers, Shahani said nothing is definite yet, although 90 Filipinos are now working in a shipyard in Gdansk, Poland through a subcontract scheme.

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CSO: 4200/123



PHILIPPINES

AQUINO REPEALS AUTHORITARIAN DECREES FROM MARCOS TERM

HK110755 Manila THE MANILA CHRONICLE in English 9 Nov 86 pp 1, 3

[Text] President Aquino yesterday repealed four presidential decrees [PD] which gave former President Marcos arbitrary powers to arrest and detain indefinitely people suspected of committing political offenses.

In an Executive Order No 59 signed, Mrs Aquino set aside decrees Nos 1404, 1836, 1877 and 1977-a.

She said these decrees "undermined the rights and freedom" of the people. She said that they were "inconsistent" with Proclamation No 3, dated 25 March 1986, which gave her the mandate to "make effective the guarantees for the rights and freedoms of the Filipino people, and to provide remedies against violations."

The executive order took effect immediately.

The decrees were the extraordinary measures used by Marcos to suppress political dissent.

The executive order said that PD 1404 empowered Marcos to authorize a longer period for the delivery of people arrested for political offenses including rebellion, inciting to sedition and subversion.

PD 1836 empowered Marcos to issue orders of arrest or commitment orders during a state of emergency, or when the privilege of habeas corpus is suspended against people who are arrested or detained in the interests of public safety, or a means to quell invasions, insurrection or rebellion, or when such a danger is imminent.

Under the decree, people arrested or detained could not be released unless ordered by the former President or his authorized representative.

PD 1877 empowered Marcos to issue preventive detention action against people believed to have taken part in political offense.

Under PD 1877-a, Marcos was authorized to issue preventive detention action against people whose arrest and detention was in his judgment, required by public safety or as a means to repel or quell rebellion.

Deputy Executive Secretary Fulgencio Factoran said that the repeal of the decrees was part of the continuing efforts of the government to dismantle the authoritarian legal structures left by Marcos.

Factoran said Mrs Aquino had no use for these arbitrary powers.

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PHILIPPINES

PCHR TO PERSIST WITH PROMOTIONS CLEARANCE DEMAND

HK071237 Manila THE MANILA CHRONICLE in English 7 Nov 86 p 3

[Article by staff member Marites Sison]

[Text] The Presidential Committee on Human Rights (PCHR) said yesterday it does not intend to abandon its proposal that the list of military officers up for promotions should be submitted to it for clearance, saying it will either seek the amendment of existing laws on promotions or ask the president to take direct action on the matter.

Defense Minister Juan Ponce Enrile and Armed Forces Chief Gen Fidel Ramos had issued a statement last Wednesday that the matter of promotions was strictly between the president and the AFP [Armed Forces of the Philippines] Selection Board as provided in Republic Act 271. The statement also said that the PCHR's proposal "is not proper and may constitute undue interference with promotion procedures prescribed by law."

PCHR member Abelardo Aportadera said that right now the "legal obstacle" that must be settled is whether the powers cited in Executive Order [EO] No 8 which created the PCHR, "supersedes" RA 291, and if it does, the latter law can be either amended or repealed.

Aportadera said the Section 4C of EO 8 states that the PCHR has the power to propose procedures on how human rights can be advanced and protected. According to him, there is a need to amend RA 291 since it is a law "that was formulated a long time ago." He added that the PCHR will "try to overcome that law, and make it responsive to the present situation."

The PCHR, Aportadera said, "is not really receptive" to the alternative presented by the military that the PCHR submit the list of officers who have records of human rights violations, since it may in some ways endanger the security of witnesses.

If the request for an amendment is not granted, the PCHR may ask President Aquino to decide on the matter since the promotion of officers is a "presidential prerogative," he said.

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PHILIPPINES

BULLETIN EDITORIAL LAUDS PCHR ENHANCEMENT OF AFP IMAGE

HK071445 Manila MANILA BULLETIN in English 7 Nov 86 p 6

[Editorial: "Gathering Strength"]

[Text] While we do not agree with the reported plan of the Presidential Committee on Human Rights [PCHR] to require a clearance from it as a prerequisite for promotion in the Armed Forces, we do admit that the very existence of the PCHR and its active protection of human rights have done a lot of good. The PCHR has benefited the Armed Forces because its deterrent effect has improved the military image, which is a significant factor in the fight against insurgency.

If the Armed Forces could convince the population in the countryside that they are the protector, not the ravisher, they will have won half the fight. Insurgency, as we all know, derives its strength from the support of the population. Remove that support and it can no longer live off the land.

If aside from proper conduct, government soldiers are given more equipment and additional benefits, they become unbeatable.

Probably the Armed Forces are well on the way to being so. They are deploying more helicopter gunships, using better weapons, receiving more benefits promptly, and morale is being boosted by the regular promotion of officers to one-star rank. So assuming the rebels regroup during a ceasefire period, the Armed Forces will have gained strength, too.

The above-mentioned factors and others that favor the Armed Forces ought to contribute to decisiveness on the part of the president in dealing with the insurgency.

When the government is strong, modus vivendi should mean bowing to the majesty of the law.

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PHILIPPINES

EDITORIAL WELCOMES FOREIGN SUPPORT TO MANILA STABILITY

Manila MANILA BULLETIN in English 30 Oct 86 p 6

[Editorial: "Sources of Stability"]

[Text]

**E**CONOMIC assistance and expressions of support from foreign governments help the cause of political stability in the Philippines. Not that the situation is fragile, as some surmise. It would take a lot of doing to "destabilize" the government and the best try is not likely to succeed under the present circumstances. Still, foreign assistance and words of encouragement provide a psychological lift at a time when the country is coping with the rebellion and the economy is just beginning to recover.

Foreign governments are helping because they believe that the Aquino administration is an appropriate vehicle for helping the country. They think it is earnestly carrying out its tasks and should be encouraged. If they had believed otherwise, they

would have adopted a passive attitude toward the administration.

That administration ought to be the most decisive source of political stability. We are encouraged by the President's willingness to engage rebel leaders in conversations first before the government adopts the mailed-fist policy. Equally encouraging are her conciliatory moves in the secessionist problem.

The basis of understanding is reasonableness. While some of her subordinates have been indiscreet to the point of being abusive, the President herself has been reasonable all along.

People do not look for perfection in a leader. All they want is that the leader be reasonable and just. Those virtues are the leader's shield. They are also a formidable source of political stability.

PHILIPPINES

ALARM EXPRESSED OVER DEFENSE MINISTRY'S GUN IMPORTATIONS

HK111143 Manila THE MANILA CHRONICLE in English 10 Nov 86 p 1

[Text] Manila International Airport (MIA) customs collector Alexander Padilla today expressed alarm over the questionable importation of military hardware by ranking officials of the Defense Ministry.

Imported items ranging from UZI assault rifles to just clothing materials have been landing at the airport cargo terminal, Padilla said.

As early as July, over 200 high-powered UZI minisubmachineguns and FNC assault rifles, 12,000 rounds of ammunition, 200 pieces of UZI magazines and bullet primers have been brought into the country, not to mention other military gadgets and paraphernalia such as bullet proof vests, night scopes, uniforms and knives.

Consignees for these shipments were Defense Minister Juan Ponce Enrile and Col Gregorio "Gringo" Honasan, his chief security officer.

Padilla, a human rights lawyer, viewed the importation as a "tremendous firepower capability."

He also worried over these importations, taking into consideration the stance of the Aquino administration in trying to secure peace in the countryside through the negotiations with rebels and insurgents.

"How can we demonstrate the government's sincerity in wanting peace when the MND [Ministry of National Defense] officials are gearing up for battle?" he asked.

He added: "Unless these arms are for other purposes, I fear they may not bode well for those of us who aspire for political stability in this country."

Padilla said further than these military hardware importations were processed in accordance with a request from Honasan, who also asked that they released through Herman C. Malonzo, MND's customs liaison. [as published]

Padilla recalled that Malonzo was implicated in an attempt to smuggle into the country electronic components worth P100,000 and hundreds of wrist-watches declared as audio sets.

Last 31 August, another shipment of 100,000 yards of jusi clothing material, military bags, ballpens, and 5,000 reams of expensive white paper arrived at the cargo terminal via Philippine Airlines.

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PHILIPPINES

NAVY OFFICIAL SAYS FOREIGN SHIPS ATTEMPT ARMS DELIVERIES

HK101222 Manila MANILA BULLETIN in English 10 Nov 86 pp 1, 14

[Text] More foreign vessels carrying arms were supposed to enter the Philippines last month but were prevented by tight military patrols along "critical sealanes and borderlines," it was learned yesterday.

A Philippine Navy official, who spoke about insurgency activities in the south and other points of Luzon on condition that he would not be identified, said some groups abroad have been quietly supporting the insurgency movement by supplying the rebels with weapons.

The official did not say what country is helping the rebels and which group is getting most of the support.

He said the military, however, is aware of this "and there's no way that their (rebels) operations would prosper."

In the past months, military resources and capabilities improved with the "repositioning" of its programs and acquisition of more communications equipment and weapons, it was disclosed.

The anti-insurgency drive has also been intensified two-fold to put everything under control, the official said.

"Insurgency activities, especially in the south, continue. But there is no cause for alarm because of a watch-technique the New Armed Forces is employing now," he said.

Early last month, a Honduran-registered vessel carrying a big shipment of war materiel was intercepted by the Coast Guard of Bacang in Negros Oriental.

The ship's master alleged that the vessel was just passing the country's waters and was on its way to the Middle East to deliver the cargo.

Military authorities, however, suspected that the shipment was intended for the New People's Army (NPA) since passing the Philippine route meant getting around the other side of the ship's destination.



The government ordered the seizure of the cargo and began an investigation of the shipment.

The shipment consisted of 118 boxes of 181 mortar primer and fuses, 253 boxes of three million electric primer for 20 millimeter ammunition, 113 boxes containing 100,000 set cases of powder charge M-100, and several boxes of 20 mm fuses and 20 mm cartridge cases.

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PHILIPPINES

DEFENSE MINISTRY LINKS BUSCAYNO TO ARMS SMUGGLING

Manila THE MANILA TIMES in English 24 Oct 86 pp 1, 6

[Text] DEFENSE Minister Juan Ponce Enrile yesterday ordered the military to stop a foreign cargo vessel from leaving the country after authorities discovered a cache of explosives in the ship's hold.

The Ministry of National Defense (MND) said military authorities are also investigating the possible involvement of Bernabe Buscayno, alias Commander Dante, former chief of the New People's Army, in the smuggling of the explosives found on board the *S/S Cargo Trader*. Dante was reported to have "bought arms abroad through the support of the Japanese Communist Party."

Navy and Coast Guard personnel, the MND said, found the materiel during a search of the vessel last October 9 while the ship was docked at a private wharf owned by Nobel Philippines in Bacong, Negros Oriental.

The cache consisted of 100,000 sets of plastic charges intended for the manufacture of M-181 mortars, three million pieces of electric primers for the production of bullets, a box containing two-millimeter fuses for M-403 mortars and 20 cases of M-103 cart-ridges, the MND said.

The MND added that based on the ship's manifest, the explosives were loaded last July in Pusan, South Korea. The plastic charges came from a big firm in South Korea and was consigned to a trading firm based in Antwerp, Belgium. The electric primers, on the other hand, were consigned to another trading firm located in Ankara, Turkey.

The MND also said the ship, after it was loaded with the explosives, called already on the ports of Limay, Bataan and Dumaguete City last August. The MND, however, did not say whether or not the explosives were unloaded in the same ports. It did not also elaborate on Buscayno's possible involvement.

Authorities discovered the shipment after a foreign embassy tipped off local authorities that the ship was carrying explosives. But the embassy information said the cache was intended for delivery to an Arab country at present engaged in a war with a neighboring country.

The foreign embassy information claimed that the shipment was released in South Korea without proper approval of authorities there.

PHILIPPINES

ALLEGED AQUINO CONCESSIONS TO ENRILE REVEALED

HK111131 Manila PHILIPPINE DAILY INQUIRER in English 11 Nov 86 pp 1, 6

[Article by Victor C. Agustin]

[Text] President Aquino has promised Defense Minister Juan Ponce Enrile that he would not be investigated by the Good Government Commission for hidden wealth and that military officers close to him need not fear investigation from the Human Rights Commission, the INQUIRER has learned.

The assurance was given during the early months of the Aquino presidency and was relayed personally to Enrile by Executive Secretary Joker Arroyo.

Arroyo is one of the three Cabinet ministers, along with Labor Minister Augusto Sanchez and Local Government Minister Aquilino Pimentel Jr, whom Enrile wants replaced, the INQUIRER learned.

It was also Arroyo, who relayed the lay-off policy on Enrile to Good Government Chairman Jovito Salonga and Human Rights Chairman Jose W. Diokno.

Arroyo, it was also learned, explained to Diokno that the "Enrile boys" should be exempted from the ongoing investigation of military men suspected of having committed human rights violations during the Marcos years because of "policy and practical considerations."

Diokno, "with a hint of hesitancy," told Arroyo during their telephone conversation that he was acceding to the President's directive only because of "policy considerations."

Good Government Commissioner Raul Daza Thursday told newsmen that they do not have documents on ill-gotten wealth that implicate Enrile and, consequently, they are not investigating him.

"I am not saying the matter is closed. Show us any evidence and we will not hesitate to act on it in accordance with law and due process," he added, however.

But fellow commissioner, Mary Concepcion-Bautista hinted in previous talks with newsmen, that the PCGG [Presidential Commission on Good Government] was not keen on Enrile because of his "contribution to the February revolution."

Salonga, in a taped television interview aired Saturday night, said "Minister Enrile is still part of the government and if there is any basis for an investigation, it should be the Tanodbayan who should investigate."

Salonga said government officials are not within the scope of PCGG since, he said, Executive Order No 1 which created the PCGG specifically singled out to recover the ill-gotten wealth of Marcos. [sentence as published]

The PCGG head, however, admitted that "if the President so directs us to look into scandalous acts within the current crop of government officials, we can do so."

The U.S. Justice Department was reported to be investigating whether Enrile had diverted American aid funds and laundered money into two condominiums in San Francisco.

Enrile has denied any wrongdoing in his business transactions, saying he was "willing to face any investigation regarding the source of funds to acquire the property."

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CSO: 4200/123

PHILIPPINES

TFD BLAMES ENRILE FOR HUMAN RIGHTS ABUSES

HK111021 Hong Kong AFP in English 0954 GMT 11 Nov 86

[Text] Manila, 11 Nov (AFP)--A church-backed monitoring group here has blamed Defense Minister Juan Ponce Enrile for what it called continuing human rights abuses by the military under President Corazon Aquino's government.

But the Task Force Detainees (TFD), which is funded by Roman Catholic orders, told a news conference Monday that arrests had sharply decreased compared with the Ferdinand Marcos regime deposed in February. TFD said the Aquino government had arrested 603 persons for political reasons from February to September this year. Of this number, 157 had remained in detention along with 188 political prisoners remaining from the Marcos administration, whose regime was widely criticized for human rights violations.

Asked why the military violations continued despite Mrs Aquino's avowed commitment to human rights, TFD spokesperson Sister Bobbie Ilumin said "we could attribute that to the present hardline stance of the minister of national defense" against communist insurgents.

Mr Enrile, who led the military mutiny that led to Mrs Aquino's rise to the presidency in February, has favored a tougher policy against the 17-year-old leftist insurgency while Mrs Aquino has been seeking a ceasefire.

"We firmly believe that it is the conditions of war that bring out these human rights violations...a peaceful resolution to the conflict in the country will lessen if not eradicate these human rights violations," a TFD official, Benjie Olivares, added.

Sister Bobbie Ilumin said that compared to last year, the number of arrests decreased by at least 75 percent since February, but noted that the ratio of disappearances and summary executions in relation to arrests had increased. She said [number indistinct] were reported missing as of February while 88 more were reported as summarily executed. On human rights violations on a wider scale, TFD statistics showed 34 cases of mass evacuations and 36 massacre cases.

The nun noted that one-third of the evacuations occurred in Mr Enrile's home province in the Cagayan Valley on northern Luzon, where his military proteges have allegedly carried out a hardline anti-insurgency program.

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CSO: 4200/123

PHILIPPINES

ENRILE DISPUTES WEST GERMANS' TORTURE CHARGE

Manila MANILA BULLETIN in English 30 Oct 86 pp 1, 17

[Text]

Defense Minister Juan Ponce Enrile disputed yesterday an accusation by a West German group that "the Philippine government of President Aquino has stepped up the torture of communist insurgents since it came to power in February 1986."

Enrile said that the "Society for Threatened People" which made the charge, should tell who are the threatened people: the communist rebels, or the Filipino people and their soldiers.

Enrile's answer to the charge was contained in an official communication to Vice President Salvador Laurel, concurrently minister of foreign affairs.

The defense chief's statement is as follows:

"The documented cases of torture and inhumanity are on the side of the communist rebels. They have tortured and killed more than 600 of their own members in Northern Mindanao whom they

suspected of being government spies, or who they believed were about to surrender to the government. The communist rebels have killed, and are continuing to kill, civilians who refuse to pay taxes to the rebels.

"They have disarmed militiamen and have shot them in front of horrified villagers. Moreover, the communist rebels have publicly declared their policy of terrorism, as published in the Manila newspapers of Oct. 13, 1986 that they will continue to kill selected civilians and military personnel.

"One of the most brutal acts of inhumanity that they did and which they were forced to admit much later in the face of incontrovertible testimonies and evidence, was the inhuman torture, crippling, and maiming of Lt. Col. Rex Baquiran before they stabbed him to death. Not one single human rights group here or abroad has protested even a single case of the continuous and escalating human rights violations being perpetrated by the communist re-

bels."

On the charge that the military has intensified "bombardments of rebels positions and mopping-up operations" against the communist rebels, Enrile said that police and the military units are on a status of "active defense."

He explained that the armed forces react only to the continuing and escalating communist rebel attacks on local government centers and personnel, military camps, troop convoys, innocent civilians and commercial enterprises.

Enrile said that the military and police forces are under the watchful eyes of the Presidential Committee on Human Rights (PHCR), and the more than 100 human rights groups throughout the country under the umbrella of the Philippine Alliance of Human Rights Advocates (PAHRA) so that the charge that the government, "condones" torture of communist rebels is "a clear deception and intended to reverse the truth."

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CSO: 4200/111

PHILIPPINES

COLUMNIST SUGGESTS U.S. COULD SUPPORT ENRILE

Quezon City BUSINESS DAY in English 30 Oct 86 p 5

["Bottom Line" Column by Gaby Manalac: "Help, Sam!"]

[Text] I cannot quite decide whether I am amused or irritated by our propensity to reckon the future of the Philippines by what the Americans want it to be. American support, or interference, is solicited or condemned depending on how it suits particular purposes.

**INTERFERENCE.** In the current rift between President Aquino and Defense Minister Juan Ponce Enrile, the unqualified support of the US for our lady president is being bandied around in an obvious attempt to neutralize Enrile who might already be the dominating power in the political and government scenes.

If Palace releases are to be believed, just about everyone who is anybody in Washington, President Reagan included, has already expressed support for Mrs. Aquino and her government. Ordinarily, such expressions of support would have been condemned as interference in domestic affairs. Thus, by soliciting and citing American support, it seems to me that Mrs. Aquino's strategists are in panic and are justifying foreign interference just so they can hold Enrile at bay.

**TIME TO WORRY.** Frankly, I think that they can do better than use the American bogey to intimidate Enrile, and I do not think the defense

minister is impressed by this kind of a tactic. To begin with, if the Americans really said that Mrs. Aquino and her government have the unqualified support of the US, then the President should really be worried.

Every time the US makes such statements, the opposite usually happens. We saw that in Korea and Vietnam. And not too long ago, Ferdinand Marcos got the same endorsement and shortly after, American helicopters spirited him and his family away to Clark Field and eventually to Honolulu.

**NO SECRET.** Besides, it is no secret that the Americans are not too happy about the new constitution and Mrs. Aquino's open options on the renewal of the military bases agreement.

The handling of the communist insurgency is also a very sensitive issue for the Americans and they certainly want to see a suppression of this movement at the earliest possible time. Even our ASEAN neighbors have expressed their own apprehension at the manner in which we are handling this very dangerous movement. After all, a communist Philippines will certainly be a real threat to ASEAN, particularly to Indonesia, Malaysia, and Brunei.

**RELIEVED.** My own gut feel is that the Americans are neither pro-Cory nor anti-Enrile. They probably could not care less who is in power so long as their own interests are protected, and that means the military bases first, and American investments

second.

If Enrile finally takes over government control, the Americans may not be too unhappy about that. In fact, they might even be somewhat relieved. President Aquino is still an unknown quantity to the Americans. They are not yet sure that she will opt to renegotiate the military bases agreement.

**NOT THE TIME.** On the other hand, Enrile has quite openly endorsed the renewal of the military bases agreement, saying that the bases are necessary not only to domestic security but to the security of the region as well. He has categorically stated that now is not yet the time to think about abrogating the bases pact.

Enrile's mailed fist policy toward the insurgents must also bring a lot of comfort to Washington. I do not think that Washington will want to get embroiled again in another war with communists half-way around the world, which they might be forced into because of our mutual defense agreements. Right now, they have their hands full in Central America and the US Congress is not too happy about that either. So Enrile could be actually be a godsend for the Americans.

**MISCALCULATION.** Thus, if President Aquino's strategists think that waving the American flag will force Enrile to back off, they may be badly miscalculating the odds.

Besides, do we have to make it so obvious that our government, despite our nationalistic protestations, is after all still Uncle Sam's little brown puppet?

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CSO: 4200/111



PHILIPPINES

CEBU COLUMNIST ON ONGOING ENRILE-AQUINO FEUD

HK070643 Cebu City VISAYAN HERALD in English 27 Oct 86 p 4

["The Monitor" column by Eddie Adlawan: "Insult to Cory"]

[Text] The big question that remains to bug us is why President Aquino agreed to sit down with Minister Enrile? We thought that she being the president, it was incumbent for Minister Enrile to follow her--or if doing so is against his (Enrile's) conscience--to resign from the Cabinet.

Is Aquino afraid of her defense minister? Why?

Or is it true they had an agreement right after the revolution that says Enrile must stay no matter what?

For Enrile to manage a confrontation with his boss and submit a set of demands as a basis for the solution of their differences, by this mere act, he succeeded in portraying her (Aquino) as a weak president.

It is clear Enrile came to the reconciliation table from position of strength. Else, why did he make demands on matters entirely out of his turf, such as the revamp of the Cabinet?

Is he trying to choose Aquino's Cabinet members for her? Doesn't this constitute an insult? To the president?

Making demands from position of strength--what constitutes Enrile's strength? Is it true he has 70 percent of the military behind him? Still that many after 7 months of Cory Aquino, if true, is one way of saying that Aquino is stupid? Is she?

What really is Enrile's strength? Is it his fund of experiences and skill as defense minister that extended to as far as Uncon [United Coconut Corporation], UCPB [United Coconut Planters Bank], coconut levy, shipping (Galleon Shipping), and logging during those 20 years as Martial Law administrator?

But why did Cory Aquino act the way she did, like the "little nice girl" in the clock who was doing a good turn before a wizened macho defense minister?

Does she really think this guy is as tough as he sounds, or that he hates communism more than he loves the presidency that's now getting closer within his reach?

Is Enrile really as anti-communists as he claims he is? Was this not the guy who stood next to Ferdinand Marcos who declared martial law in 1972 to stop communism, but which was only a guise to promote their political greed in unobstructed manner?

Was this not the same Enrile, Marcos crony, who used anti-communism to perpetuate themselves in power?

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CSO: 4200/123

PHILIPPINES

COLUMNIST VIEWS ULTIMATE AIM OF ENRILE COUP PLOTTERS

HK101506 Manila THE MANILA CHRONICLE in English 10 Nov 86 p 9

["Analysis" column by Amando Doronila: "Enrile Coup Could Be Very Messy"]

[Text] Although a coup plot by military officers identified with the defense minister, Mr Enrile, was aborted last week, the danger of a power grab has not ebbed. The plan has just been shelved, following hectic negotiations among Mr Enrile, the Armed Forces chief of staff, General Fidel Ramos, and senior military commanders.

As more evidence unfolds, it is becoming clearer that the intention of the plot, called Operation "God save the Queen," is not just to pressure President Aquino to take a tougher posture against the Communist insurgency and to dismiss allegedly left-leaning Cabinet ministers.

The goal is to install Mr Enrile as head of a military-civilian junta, possibly as prime minister, in which President Aquino will be relegated to a figurehead president. This means a complete power seizure that would inevitably result in a Cabinet dissolution or revamp and a tough campaign against insurgency.

Whether the installation of Mr Enrile, the dismissal of unwanted ministers and a tough military solution to insurgency would solve the problem without plunging the country into civil war is extremely problematic. A coup, that will bring back the 1973 constitution of the Marcos dictatorship and return the KBL-dominated Batasang Pambansa, appears to be the least likely prescription to provide political stability. Neither is it the most promising solution to corruption—an issue which Mr Enrile has raised against the Government.

The experience of 14 years under the Marcos authoritarian regime, as well as that of several countries that have fallen under junta rule, contradicts the thesis that a military junta, with a civilian component serving as a window dressing, eradicates corruption and ensures the crushing of insurgency.

Thus, it must be emphasized that the demands to dismiss the "left-leaning" ministers, to put more fire on the insurgency campaign and to arrest the return of corruption are plain pretexts for the larger goal of overthrowing the Aquino government.

Mr Enrile has his view of how to run this nation and it is anti-democratic. This point must be understood. If he had his way, this nation will be going back to where it was under the Marcos years--a period marked by repression of human rights the most notorious aspect of which is "salvaging." This is a point of view which holds that to promote political stability and economic development, the nation must be governed by resolute rulers who would use arbitrary powers as an essential condition for these goals.

The reduction of Mrs Aquino into a figurehead in a junta in which Mr Enrile wields the executive power does not fit into the junta scheme. Her democratic orientation, in contrast to the authoritarian preference of Mr Enrile (even though he may call it "democratic" for the purpose of rhetoric) makes her a contradiction in such a junta. She has no place in it; it is extremely doubtful if she would accept any role in a scheme in which she will be used merely as a cosmetic.

There is in the aborted coup plan the shades of the conspiracies by both the Indonesian military and the Indonesian Communist Party prior to the October 1965 coup. In the plots by both sides, there was one central element on which they agreed--that Sukarno should not be deposed so he remains president under a changed balance of power in the Cabinet. The aim of the military was to eliminate left-leaning ministers like Dr Subandrio, the foreign minister; that of the PKI (the Indonesian Communist Party led by Aidit), to remove the generals from key positions. These calculations were based on the assumption that Sukarno was popular with the people, having had enjoyed the esteem as the father of the Indonesian nation, and that it was essential to keep him as president, albeit with reduced powers.

Of course, the scheming by both sides led to a showdown when presidential guard officers identified with the Left staged a coup--not against Sukarno but against the military component of the Cabinet by killing several senior military leaders.

The proposition by coup plotters identified with Mr Enrile that Mrs Aquino be made figurehead of a junta implicitly accepts that a change of government which eliminates her would not be acceptable to the people. Even though some of Mr Enrile's senior aides scorn people power, they have an instinctive respect for popular acceptance as an essential element of a successful power grab. This awareness is an important factor in the calculation of whether a coup would be mounted.

President Aquino, on the eve of her departure for Japan, secured an assurance from Mr Enrile that "he would do his best" to prevent a coup while she is away. Mr Enrile's word is not the best assurance. The most important deterrent against a power grab is the perception that such move would entail high costs. A coup is likely to be very expensive. It may not turn out to be a mere "surgical strike." It could be very messy.

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PHILIPPINES

EDITORIAL URGES GENERAL CURBING OF CORRUPTION

HK061245 Manila THE MANILA CHRONICLE in English 6 Nov 86 p 9

[Editorial: "Basis for Widening Reformism"]

[Text] Yesterday's editorial took off from the request of the Presidential Commission on Human Rights to freeze the promotion of those members of the armed forces who committed violations of human rights during the Marcos regime. We suggested, however, that such punitive measure may have to be extended to other departments and bureaus of government not only in relation to criminal violations and civil rights but relative to all unconstitutional acts of officials and personnel.

The point is that if government and Philippine society are to take a reformist position, there must be a general clean up of criminal and illegal activities. For the foremost over-all concern of the administration should be to instate a credible government, responsive to the demands of justice and capable of generating trust on the basis of its performance.

The recent upsurge of reports on corruption should indicate the direction of government concern. As early as 2 months after the EDSA [Epifanio de Los Santos Avenue] revolution, Jaime Cardinal Sin noted a tendency towards "backsliding" among those in government. At that time, there were only unconfirmed rumors that some ministries were reverting to the old system of corruption. And of course, there was the rash of complaints from disillusioned ordinary citizens who had expected prompt service and attention from the newly constituted ministries only to be rebuffed with the usual bureaucratic tactics.

Today, close to a year after the EDSA revolution, the air has grown thicker with confirmed reports of confiscation at Customs of illegally imported goods, corruption by middle officials of their subordinates to undertake illegal activities, solicitation of percentages in the ministries for contracts and special services, influence peddling, spurious projects which net kickbacks but do not yield the results for which they had been intended, etc.

So prevalent have illegal and unethical activities become that not a few people have been heard to say in exasperation that corruption in government today is even worse than it was in the previous regime.

This observation is no doubt an exaggeration. We believe that the dimension of the looting done by Marcos and his cronies that has been revealed so far cannot be exceeded by the instances of petty and guarded graft practiced since the new government took over. The observation may approximate truth, however, if what is meant is the number of personnel practicing it. This is because the Aquino government's policy of decentralization has made it possible for lower officials to exercise greater authority.

Needless to say, the upsurge of venalities may also be due to the lingering presence of key people in the reconstituted ministries. The policy of reconciliation has made it possible for the new ministries to accommodate the remnants of the old regime. In some cases, this accommodation has been made indiscriminately, even to the extent of assuring closet loyalists that they could pick up where they left off.

The resumption of old habits, no doubt, has also been encouraged by the discovery that the new personnel are equally capable of adopting the practices of the old regime.

More than being a temporary phase, then, the freeze on promotions should be an opportunity for the government to reassess the personnel of the bureaucracy. We suggest that, as the retention of some OICs [officers-in-charge] has to be reconsidered and as some judges have to [word indistinct], so should everyone in the entire structure of government be scrupulously screened.

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CSO: 4200/123

PHILIPPINES

SURVEY SHOWS 85 PERCENT FAVOR NEW CHARTER

HK110828 Manila THE MANILA CHRONICLE in English 11 Nov 86 pp 1, 3

[Text] A recent survey shows 85 percent of Filipinos favor a new draft Constitution that would legalize a 6-year term for President Aquino, Reorganization Commission Minister Luis Villafuerte said yesterday.

Villafuerte said the survey was conducted nationwide by random sampling to find out public opinion on the Charter, to be presented for ratification on 2 February.

Villafuerte refused to say what group commissioned the survey nor did he give any details on the number or type of people surveyed. He also did not say when the survey was conducted.

Meanwhile, the United Nationalist Democratic Organization [UNIDO] announced it would campaign for voter ratification of the proposed Charter, saying it would "accelerate political stabilization" of the country.

"Even the task of national unity and reconciliation cannot be achieved, and the program of national unity and reconciliation cannot succeed without first stabilizing the political situation in which the present government finds itself," a UNIDO statement said.

Vice President Salvador H. Laurel explained UNIDO would push for the inclusion of two questions in the plebiscite to be held on 2 February. These are:

If you do not approve the proposed Constitution, which Constitution should be re-established automatically?

Do you approve that the incumbent president and vice president shall have a term of office until noon of 30 June 1987?

He added the holding of local elections simultaneous with the plebiscite would "resolve once and for all" the controversy on officers-in-charge.

"These are items the president may agree upon or not but it will not change our position on the Constitution," Laurel said.

He said the decision of individual UNIDO members to campaign against the Charter's ratification would be "respected."

"They would be free from any disciplinary action," he said.

The UNIDO's Committee to Study the Proposed Constitution, headed by former Senator Dominador Aytona, said the party's position was unanimously approved by its members and the UNIDO Council of Leaders.

Aytona's committee members included Enrile Bello, Rene Espina, Edmundo Cea, Manintal Tamano and Francisco Tatad.

"In the judgment of the committee the pros outweigh the cons...and the defects could be remedied by amendments in the future," the committee report said.

Laurel stressed, however, only an "overwhelming" 'yes' vote would "erase doubts" on the country's political stability.

No irritant, he said, exists between him and the president whom he said he can talk frankly with "any day, any time."

After the press conference, Deputy Defense Minister Wilson Gamboa told reporters his scope of responsibility in the military establishment was "limited" and he had no way of ascertaining whether some factions were planning a coup.

The Reformed Armed Forces Movement (RAM) which is closely identified with Defense Minister Juan Ponce Enrile kept to themselves and were "too exclusive."

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PHILIPPINES

COLUMNIST SAYS NEW CHARTER WILL NOT SOLVE PROBLEMS

HK061411 Quezon City BUSINESS DAY in English 6 Nov 86 p 4

["My Cup of Tea" column by Ninez Cacho-Olivares: "The Draft Charter: Not a Solution"]

[Text] What happens if the draft charter is rejected in the forthcoming plebiscite?

The answer depends on who is doing the talking. Constitutional Commissioner Blas Ople says that rejection of the proposed constitution will result in a major [vacuum] which only the Armed Forces of the Philippines or the New People's Army can fill. "More likely, it would be a military rule, because the Armed Forces will not stand by while the other armed group prepares to seize power and they will have to move to protect the national security."

UNIDO's [United Nationalist Democratic Organization] Rene Espina looks at it differently. If the proposed charter is rejected, he says the 1935 Constitution should be deemed operational. Palace boys think otherwise. Should the electorate reject the draft charter, the nation will continue to operate under the Aquino "Freedom Constitution." Others have gone even further. If the draft charter is rejected, a new charter will be drafted, this time by a duly elected body.

Other politicians have come forward with the view that if rejection occurs, President Corazon Aquino, and, I suppose, her vice president, Salvador Laurel, should resign and run for office again.

Does the Filipino really care, one way or the other, about the rejection and ratification of the 1986 draft charter? My guess is that the majority of Filipinos aren't interested in the issue, one way or the other. Most Filipinos are poor. There are other day-to-day problems they have to grapple with. They won't add to their list of worries the future of the draft charter. It is perhaps only the politicians, government officials and observers of political events who show interest in the future of the draft charter.

But interested or not, a plebiscite will be held in February and even with an extremely low turnout of voters, the draft charter will either be rejected or ratified.

What disturbs me more is the way some palace officials and constitutional commissioners inject what I view as veiled threats, in case the draft charter is rejected. For instance, some of those who push for the ratification of the draft say that the draft charter must be ratified, or else political stability will not be achieved. Others, like Mr Ople, come up with a scenario of an armed force taking over if the constitution is rejected.

What we are being told, in essence, is that we must ratify the charter or else. Or else what? Or else, a coup d'etat, staged by the military, will occur. Or else the Aquino government collapses. Or else investors will not come. Or else our miseries will be compounded. Or else we can never hope to stabilize the political and economic situation. And never mind if the draft charter will aggravate the problem of poverty. Never mind if the draft charter contains provisions that will retain the status quo, not to mention the continued impairment on our sovereignty.

Our options are somehow always being limited to a choice of two. During the last presidential elections, what were the options of the Filipino voter? A vote for Marcos meant the continuance of dictatorial rule and all the evil it brought with it. A vote for Mrs Aquino meant the end of that rule. I will agree that at that particular time, there was an urgent need to oust Marcos, and the best way to do so was to support the candidacy of Mrs Aquino.

Having been given that support, shouldn't the new administration now show the nation that it is capable of governing? Shouldn't the new administration now prove that it is capable of ushering in the much-needed political and economic stability?

What has the nation heard so far from the new administration? We can't achieve political stability as yet, because the new constitution has not been ratified. The Aquino government should be given more time and that it is unreasonable for anyone to think that Mrs Aquino can undo 20 years of the Marcos plunder in so short a time. Then comes the "clincher." Who would you rather have up there? Enrile? Laurel? The military government?

A new constitution, even if ratified by Filipino people, will not stop the military from staging a coup d'etat, if it has plans to stage one. A new constitution will certainly not deter the communist insurgents from mounting a revolution, if and when they feel the time is ripe to mount one. Political stability will not be achieved with the ratification of a new constitution if Mrs Aquino continues to display weakness and indecisiveness.

Eight months after her ascension to the highest office, the nation still does not know what direction the new government is taking. Eight months in office and the nation still does not know whether the administration has come up with a realistic and comprehensive program of government. Eight months in office, and the nation is left speculating whether Mrs Aquino can govern.

Will a new constitution douse all the speculation? I doubt it.

PHILIPPINES

PCGG HEAD REVEALS MONITORING OF MARCOS' MONEY

HK101404 Manila PHILIPPINE DAILY INQUIRER in English 8 Nov 86 pp 1, 10

[Article by M. Ronquillo]

[Text] The government is working out adequate safeguards to prevent Ferdinand Marcos and his close associates from slipping part of their "ill-gotten wealth" to the campaign against the draft Charter, Presidential Commission on Good Government [PCGG] Chairman Jovito Salonga said yesterday.

Interviewed after the taping of a television talk show, Salonga also said he is almost certain there would be a Cabinet revamp after the ratification of the new Charter. Other topics he discussed were on the insurgency problem, the plans of the Liberal Party and the job of his commission.

Salonga said the safeguards being put up are in response to a widespread perception that Marcos and his cronies may have been sending part of their money overseas into the campaign against the draft Constitution.

"That's very, very possible," Salonga said when asked to react to reports that Marcos and his close associates have been secretly funding the campaign against the draft Charter.

"Don't worry. We are ready for that (the slipping in of money)," Salonga told the reporters.

Without revealing the specific safeguards, Salonga said the heart of the government's strategy to block the entry of Marcos money into the anti-Charter campaign is a tight watch on the money deposited in banks overseas. This could be the primary source of funds for the anti-Charter campaign, Salonga said.

Salonga also told reporters that it is almost certain that President Aquino would revamp the Cabinet after the national elections next year.

The revamp would be triggered by the resignation of several Cabinet ministers who will abandon their Cabinet posts to run for the Senate and not for reasons of corruption or inefficiency, he said.

He said the return to the presidential form of government will distribute power to the executive, legislative and the judicial branches of government. This would make a congressional seat more attractive than a Cabinet post, he said.

Salonga said the government is not in danger of being ousted through a coup even as he expressed hopes the people will ratify the constitution.

The President's soft approach to the insurgency problem should be given a chance since the mailed-fist policy which was used by Marcos in his last 14 years in office failed, Salonga said.

Salonga expressed hope the splintered Liberal Party will soon unite despite his faction's serious rift with the other faction led by former Senator Eva Estrada Kalaw.

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CSO: 4200/123

PHILIPPINES

PAPER VIEWS MOVE TO OUST ROMUALDEZ ADHERENTS

HK101532 Quezon City BUSINESS DAY in English 10 Nov 86 p 25

[Text] The expose on a smear campaign against relatives and close allies of President Corazon C. Aquino allegedly being pushed by former Ambassador Benjamin "Kokoy" Romualdez has intensified the clamor for the immediate ouster of top government officials popularly known as "the Kokoy boys."

Official sources said the PDP-Laban [Philippine Democratic Party--Strength of the Nation] headed by the President's younger brother, Jose "Peping" Cojuangco Jr., is now rushing a list of "Kokoy boys" to be presented to the President upon her return from her Tokyo visit.

Sources said Cojuangco is the main target of the smear campaign which was detailed in instructions sent allegedly by Romualdez to his boys in Manila.

The instructions were intercepted by the PDP-Laban intelligence unit, sources said.

The former Tarlac congressman said the black propaganda will be concentrated on him and his wife Margarita "Ting-Ting" Cojuangco.

Cojuangco was quoted as saying that the objective is to destabilize the Aquino administration and hinted that the "Kokoy boys" who are now occupying top government positions would be utilized. It is not known, however, what modus operandi Romualdez and his henchmen will use.

Among those who have been earlier linked to the former ambassador are Finance Minister Jaime V. Ongpin, Development Bank of the Philippines (DBP) Chairman Jesus Estanislao, DBP Vice-chairman Roberto Anonas and monetary board member Cesar Buenaventura.

Prior to his appointment as finance minister, Ongpin used to be president of Benguet Corp., a mining firm sequestered by the Presidential Commission on Good Government (PCGG).

Romualdez has substantial interest in Benguet through two dummy corporations.

Anonas, on the other hand, was executive vice-president of the Philippine Commercial International Bank (PCIB) shortly before he joined DBP.

PCIB is widely believed to also be owned by Romualdez.

Estanislao, formerly of the Center for Research and Communication (CRC), a private thinktank group, had served as one of the consultants of PCIB and other businesses of Romualdez, sources claimed.

Buenaventura still heads Pilipinas Shell Corp., where First Philippine Holdings, another Romualdez-owned company holds the single biggest stockholding equivalent to 25 percent.

In an earlier talk with newsmen, Ongpin had insisted that he merely worked as a professional manager at Benguet and that he received instructions from former DBP Chairman Cesar Zalamea and not directly from Romualdez.

He also said he never knew that Benguet was majority-owned by Romualdez and added that he did not care anyway whoever owned the company.

Estanislao worked for a while as president of Associated Bank which was then and still is majority owned by the DBP.

He was placed there during the stint of Zalamea as DBP chairman. From there he transferred to PCIB where he served as top consultant and handled the delicate negotiations for the acquisition of the Insular Bank of Asia and America (IBAA) by PCIB, sources claimed.

It was there that he became close to Anonas, then PCIB executive vice-president whom he brought with him to the DBP as vice-chairman and right hand man, sources claimed.

Estanislao and Anonas are now reportedly locked in a bitter dispute with DBP Governor Alice Reyes over the direction which the state-owned bank should pursue under the new regime.

Reyes, however, has opted to retire from the DBP after serving the bank for 25 years.

The "Kokoy" boys enjoy tremendous support from their peers in the private sector who also used to work in various capacities in the enterprises controlled or owned by Romualdez.

The "Kokoy" circle includes present PCIB President Antonio Ozaeta, former Benguet director and currently Interbank President Jovencio Cinco, former Transportation Minister Jose Dans, former Commission on Audit Chairman Francisco Tantuico, former Immigration Commissioner Edmundo Reyes and former Airport General Manager Luis Tabuena, sources said.

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CSO: 4200/123

PHILIPPINES

FORMER DEFECTOR REJOINS AFP, LINKS NPA TO 1971 BOMB

HK101223 Manila THE MANILA TIMES in English 8 Nov 86 pp 1, 2

[Text] Victor Corpuz, the celebrated military officer who defected 16 years ago to the Communist Party of the Philippines (CPP) but who was in jail the past 10 years, rejoined the military service this week after President Aquino approved a recommendation from Gen Fidel V. Ramos, armed forces chief of staff, to have Corpuz reinstated.

Col Virgilio Saldajeno, deputy commander of the constabulary Judge Advocate General's Office (JAGO), announced this yesterday at a press conference at Camp Crame. He said Corpuz, who was a first lieutenant when he defected, has been made a lieutenant colonel, which means a three-rank promotion for him.

The promotion, military officials said, was in recognition of Corpuz's experience in working with the communist rebels which the military and the government can use in their campaign against the communists.

Corpuz himself was present at the press conference, during which he confirmed before the newsmen that the communist rebels were responsible for the bombing of a Liberal Party rally in 1971 at Plaza Miranda, which killed nine persons and injured 98 others.

Corpuz said he defected in 1970 because he felt the military establishment was being used by then President Marcos as a tool to perpetuate himself in power.

He was "captured" in 1976 by the military, and then detained at Fort Bonifacio until President Aquino ordered his release last March.

Released with him then were Jose Ma. Sison, the former head of the CPP, and Bernabe Buscayno, former head of the New People's Army (NPA), the armed wing of the CPP.

The masterminds of the bombing, according to Corpuz, were Buscayno and Jose Luneta, another top communist leader jailed by the military but who escaped afterwards.

Luneta, said military sources, is now the secretary general of the CPP.

Corpuz had earlier pointed to Sison as the third mastermind.

Corpuz said the bombing plot was hatched somewhere in the Sierra Madre mountains 3 months before it was staged.

Through the bombing, the communists hoped to "hasten the development of the revolution" and "intensify the contradiction within the ruling class," Corpuz said.

Corpuz said he did not make this confession during the administration of President Marcos because he felt nobody would believe him then, since Marcos had "zero credibility" at that time.

The 1971 bombing was widely blamed at the time on Marcos because the victims were mostly opposition leaders and their supporters. But Marcos insisted then that the communists were behind the bombing.

Military officials said Corpuz will be given an official assignment soon. In the meantime, he will serve as a "valuable instructor and researcher on the CPP/NPA," they said.

According to Corpuz, 2 months after his release in March, his classmates at the Philippine Military Academy signed a petition appealing to Ramos to have him reinstated in the military service.

Ramos endorsed the petition to Mrs Aquino, together with his favorable recommendation. The president approved it this week.

Corpuz brushed aside suspicions that he was a possible "mole" ordered by the military to penetrate the communist movement. If this were true, he said, then he should not have been jailed for 10 years.

Corpuz said his recent disclosure of the communists being responsible for the 1971 bombing may be ill-timed. He said he didn't intend to make his disclosure until after the trial on the 1983 murder of former Sen Benigno Aquino, Jr. is finished, because "some may think that Mr Marcos was also telling the truth" in saying the communists also killed the president's husband.

Meanwhile, President Aquino, reacting to the allegations of Corpuz that the communists were responsible for the Plaza Miranda bombing in 1971, yesterday said she "will inquire further into the matter."

In a conference with local and foreign newsmen, the president hinted she didn't personally believe the communist rebels were behind the bombing incident which injured several leaders of her husband's party, the Liberal Party.



She said former Sen Jovito Salonga, one of those injured in the bomb attack, "has been pointing to (deposed President) Marcos as the perpetrator of that crime."

Her late husband, former Sen Benigno Aquino, along with the communist leadership, was implicated by Marcos in that incident.

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CSO: 4200/123

PHILIPPINES

CEBU NPA REPORTED PLANNING ECONOMIC SABOTAGE

HK070653 Cebu City VISAYAN HERALD in English 29 Oct 86 pp 1, 3

[Text] Recom 7 [Regional Command] chief Col Edgardo M. Abenina yesterday said the military will intensify its campaign against the Communist led New People's Army (NPA) despite its apparent inactivity.

In an interview, the Recom 7 chief said the military intensified operation against the NPA continues despite the national policy of reconciliation.

He said that since there is no ceasefire order issued by higher military authorities, the anti-desident campaign continues without letup.

Reports [words indistinct] 7 headquarters that the CPP/NPA [Communist Party of the Philippines/New People's Army] have intensified the conduct of sabotage operations, mostly arson targeting both the government and private business sectors.

Abenina warned that the object of the efforts of the insurgents is to disrupt production and damage the industrial and agricultural base of that economy in the hope of exacerbating unrest.

He said the sabotage operation is also carried out whenever firms targetted for extortion refuse to financially support the underground movement.

The primary source of fund of the CPP/NPA is through "progressive taxation" levied on business establishments moneyed individuals, Abenina revealed.

He said these taxes are based on certain percentage of the income of the person or firm. However, Abenina emphasized that firms which fail to give monetary support are harassed by the insurgents through sabotage of equipment abuse of their personnel, or threat of burning their building.

Abenina revealed that in Mindanao alone, the dissidents generate about P74 million yearly from logging concessions and agroindustrial firms and P1 million from legal programs and institutions.

This extortion activities of the CPP/NPA, he said have been confirmed by former MNLF Commander Nur Khan of the Davao Revolutionary Committee.

Khan's revelation, Abenina said, was made after returning to the folds of the law in February 1985 with vital documents turned over the Defense Ministry which include the list of private firms to the CPP/NPA in the Davao provinces.

Abenina warned all sectors of society, especially the business sector of the two pronged drive of the CPP/NPA to topple the government which give emphasis along with the insurgent efforts in the countryside and subversion in urban centers targetting all sectors of society.

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CSO: 4200/123

PHILIPPINES

RVC 7 COMMANDER ON CEBU INSURGENCY THREAT

HK070647 Cebu City VISAYAN HERALD in English 29 Oct 86 pp 1, 3

[Text] Despite marked progress, the military in Region 7 has not entirely gone over [as published] the insurgency crisis and Cebu has remained the area most seriously threatened by the Communists in the whole of Central Visayas.

This was the assessment made by RUC-7 [Regional Unified Command] commander Brig Gen Romulo Querubin in an exclusive talk with VISAYAN HERALD yesterday.

The newly promoted RUC-7 chief said that the insurgents are particularly interested in Cebu because of the place's political influence over the capital.

Querubin warned of the delicate situation now prevailing all over the country. He said the insurgency problem should not be taken lightly because history shows that Communists almost always triumph in every place they had tried to capture.

He cited Vietnam, Kampuchea and Nicaragua as examples.

The communists are organized and determined, Querubin said as he cautioned against the people's seemingly very complacent attitude toward the problem.

According to him until lately, the people had been apathetic every time the issue of communism was brought out.

He also urged on local government executives to openly and actively support the military in its fight against insurgency. "It is now too late to talk about ideologies," Querubin called on. [sentence as published]

He disclosed that his command is planning to launch shortly a provincial counter-insurgency program in which the local officials would have to play a major part.

The chances of repelling the rebels lie entirely in the people. The support of the people is the most effective weapon against Godless communism, and fortunately Filipinos are God-fearing people, Querubin hopefully declared.

These Communists are hiding behind legitimate nationalist organization, and there is only a thin line between nationalism and communism, the general warned.

A VISAYAN HERALD team headed by publisher and editor Al Alinsug yesterday visited Querubin at the RUC-7 headquarters in Camp Lapulapu.

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PHILIPPINES

MITRA IDENTIFIES PROPOSED EXTRA NEGOTIATORS

HK101330 Manila MANILA BULLETIN in English 8 Nov 86 pp 1, 15

[Text] Government peace negotiator Ramon Mitra Jr. has proposed two new members in the government panel in the negotiations with leaders of the communist National Democratic Front (NDF).

Mitra, also the agriculture and food minister, said yesterday the proposed new members are AFP [Armed Forces of the Philippines] vice chief of staff Maj Gen Eduardo Ermita and Maj Gen (ret) Jose Magno, presidential adviser on military affairs.

Mitra said he made the proposal after the NDF leaders Satur Ocampo and Antonio Zumel also proposed the inclusion of four additional NDF leaders in their panel whose names were not revealed.

Mitra said the approval of the new members will be taken up during their meeting next week. Both panels will also discuss the 30-day ceasefire set by the government.

Mitra told reporters that the number of days during which the ceasefire will take effect is still negotiable.

Mitra also debunked the contention of some quarters that the request for a longer period of ceasefire by the NDF leaders would enable the leaders to consolidate their powers.

"We still believe that the NDF leaders are in good faith in conducting the peace negotiations so that they will not resort to consolidating their power," Mitra said.

In the event of a longer ceasefire, Mitra said, the military is still at an advantage because by the time the ceasefire is ended and no progress is attained, the military would be stronger because of the arrival of new helicopters and other equipment from the United States by that time.

Assuming that the agreement for the period of the ceasefire has been reached, the leaders of both panels will discuss the safe conduct pass and security of the people involved in the negotiations.

Discussion on this matter is expected to be easy because agreements on some points have already been reached and only a formal agreement is needed, Mitra said.

Mitra also said that the military will purge the abusive military personnel and other members of the civilian home defense force (CHDF).

Mitra said the government is really bent on cleaning the military of "bad eggs" even without the request of the NDF leaders.

"We will remove military personnel who are not supposed to hold guns," Mitra said.

He also announced that the place of the secretariat and the place where the negotiation would take place is expected to be announced next week.

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CSO: 4200/123

PHILIPPINES

MILITARY IN COMBAT READINESS IN MINDANAO, SULU, PALAWAN

HK071521 Manila MANILA BULLETIN in English 7 Nov 86 p 16

[Text] Davao City--The military is in combat readiness in the face of the volatile situation in Mindanao, Sulu, and Palawan.

This was the gist of a 3-hour briefing on the Mindanao situation by the Southern Command (South-com), with the participation of the Regional Unified Command (RUC) of Central and Southeastern Mindanao, for Gen Fidel V. Ramos who failed to come. In his place, Maj Gen Eduardo Ermita, vice chief of staff, attended the briefing held at the Kasipagan hall of RUC 11, this city.

Brig Gen Cesar F. Tapia, Southcom chief, reported to General Ermita an increase in the number of New People's Army (NPA) guerrillas in Southern Philippines.

From 25 guerrilla fronts recently, Tapia said there are now a total of 27 CPP [Communist Party of the Philippines]-NPA fronts in Mindanao. The two new fronts, he said, are in the Agusan-Davao and Davao City-Davao del Norte areas. Nineteen of these fronts are found in Southeastern Mindanao.

A "guerrilla front" is a territory composed of around five towns, with its own political organization (NDF), a party committee (CPP) that leads a sizeable armed force (NPA) composed of regulars and militiamen.

Proof of the buildup of the communist insurgents in Mindanao, Tapia said, was the killing of at least 131 troopers, militiamen and civilians by rebels either by raid or ambushes last month.

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PHILIPPINES

COTABATO BRIGADE TO UNITE CHRISTIANS, MUSLIMS

HK110625 Davao City PEOPLE'S DAILY FORUM in English 24 Oct 86 p 5

[Article by Vilma Flauta]

[Text] Cotabato City--The army's "Gardites" 2/12 Brigade shall be reactivated and initially be located at Pigkalagan, Cotabato Province previously occupied by the Second Brigade of the Second Division.

The 12th Infantry Brigade (separate) Civilian Military Operations Detachment (CMOD) chief Major Jose Ybanes said the newly organized tactical brigade is under the stewardship of Col Mateo V. Bawagan, who is presently the deputy commander of the 12th Brigade.

On the other hand, Bawagan said he would welcome any recommendations, suggestions or complaints from the civilians regarding military abuses under his command. He further stressed that in order to achieve their objective, a call for unity among the different groups of people is needed. "We must encourage our soldiers and the civilian populace to work together in the spirit of reconciliation under the new government" Bawagan added.

The Gardites Brigade, it was known, is the second tactical brigade (separate) under Col Buenaventura S. Tabo. The first was the 1st Infantry Brigade (1/12) with headquarters located at Buayan, General Santos City.

The primary purpose of the unit is to forge and unite the Muslims and Christians in their area of responsibility.

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PHILIPPINES

PAPER ON PROSPECTS OF PEACE TALKS RESULTS

HK101545 Manila THE MANILA CHRONICLE in English 9 Nov 86 p 10

[Article by staff member Sheila S. Coronel]

[Text] The prospects for lasting peace remain fragile. Though the cease-fire negotiations between the Aquino government and the National Democratic Front [NDF] moved forward this week, much more needs to be done if permanent peace is to be achieved.

Definitely, the obstacles to peace are formidable. The government and the military remain divided on whether the cease-fire effort will succeed in containing the insurgency.

Debate rages as well within the ranks of the NDF as they seek to refine and redefine the tactics of dealing with a popularly supported liberal democratic government.

Yet, these many and varied voices agreed that insurgency has its roots in a social structure that breeds poverty and oppression. But sharing this basic insight does not necessarily lead to identical visions of peace.

The military equates peace with a vanquished enemy; thus, it cautions that the rebels will never lay down their arms. "In spite of expectations of success in the cease-fire negotiations, the prospects for the resolution of the insurgency remain uncertain," the official AFP [Armed Forces of the Philippines] briefing paper on the security situation said.

The paper said that the insurgents will only take advantage of the cease-fire to advance their arms supply. The rebels' ultimate goal, said Brig Gen Isidro B. Agunod, assistant secretary of defense for plans and programs, is "to control and dominate a few crucial activities and events to attain legitimate political power and dominance."

Thus, certain factions in the military, particularly that identified with Defense Minister Juan Ponce Enrile, do not agree that the peace negotiations will work.

"Let's whack them (the rebels) first before we talk," an Enrile aide said, arguing that the government will be able to negotiate from a position of strength only after it has delivered major blows to the rebels.

The government believes, however, that a mail-fist policy, such as Marcos used, would only fuel the insurgency's growth. It has chosen to gamble on peace instead.

In the government's view, a Malacanang official said, a cease-fire would provide a breather, allowing it time to consolidate and stabilize as well as to get its economic recovery program going. If living conditions improve, then rebels can be attracted to go down from the hills and rejoin the mainstream of national life. Thus, President Aquino released last week P1 billion for a rehabilitation program for rebel returnees.

The rebels, on the other hand, see the peace negotiations as an opportunity to lay their demands on the bargaining table and explain their program to the people.

"We are not asking the government to implement the NDF program," NDF negotiator Satur Ocampo said in a press conference last week. "What we intend to do is lay down certain aspects of the NDF program based on the manifestation of various sectors--peasants, workers, urban poor, professionals and others--so that the government may have an idea of how to approach these problems."

"At most," Ocampo said, "we expect the beginning of a modus vivendi or mutual cooperation toward achieving specific reforms that will lead to the resolution of the fundamental problems."

In the substantive phase of the negotiations, the rebels are expected to raise issues like land reform, the redistribution of wealth, the U.S. bases and other questions related to economic equity and national sovereignty.

Even if it wanted to, however, the government would be hard out to meet these demands. It does not have the logistics for a massive economic upliftment program. Furthermore, its redistributive aspects will likely encounter stiff resistance from the landlords and businessmen who are also part of President Aquino's broad base of support.

Moreover, the restiveness of the military, especially with regard to current insurgency policy, is expected to continue for some time more, thus weakening the government's political will to arrive at a settlement with the insurgents.

With the threat of a coup continually hanging, the government cannot devote maximum attention to resolving the insurgency. The coup threat could hold the government hostage to what various factions in the military believe to be the correct insurgency policy.

Unless President Aquino is able to wield effective control over the recalcitrants in both the military and within her own government, she cannot effectively pursue her vision of peace.

PHILIPPINES

DAILY REPORTS DIFFERENCES STALLING TRUCE AGREEMENT

HK071107 Quezon City BUSINESS DAY in English 7 Nov 86 p 16

[Article by reporters Michael D. Marasigan and Teodoro Y. Montelibano]

[Text] Peace negotiators agreed Wednesday on safety and immunity guarantees to members of the communist panel, but failed to agree on the proposed ceasefire agreement, government sources said yesterday. The safety and immunity guarantees accord will be signed only after a truce agreement is reached, they added.

The sources said negotiations on the ceasefire were stalled because of disagreements on the length of the truce period and on the definition of hostile acts.

The National Democratic Front [NDF] submitted last Wednesday to the government panel two draft agreements on "a preliminary ceasefire" and "on safety and immunity guarantees and physical centers and facilities."

The NDF wanted a 100-day ceasefire period starting 10 December up to March next year, but government negotiators last Wednesday made a counter offer of a 30-day ceasefire period to start on 27 November. Both sides failed to agree on this point, sources said.

Another area of disagreement is the definition of "hostile acts."

Under the NDF draft agreement on a preliminary ceasefire, hostilities are defined as--aircraft bombing; artillery shelling; naval gunfire; attacks; raids; ambushes; sabotage; kidnapping; hijacking of aircraft, vessels and vehicles; extortion; arson; liquidation; coercion; threats; grenade throwing; disarming (agawarmas); surveillance; molestation; search, arrest and apprehension; illegal strikes; boycotts; and demonstrations.

Despite the disagreement on the length of ceasefire period and on the definition of "hostilities," both panels are optimistic that they can reach accord during the next meeting tentatively scheduled next week.

The approved accord covers two main subjects: safety and immunity guarantees and physical centers and facilities. It provides among other things, "absolute, binding, permanent and irrevocable immunity from

search, arrest and prosecution of those persons who will assist the NDF during the peace talks as consultants, lawyers, staff persons or any other capacity including lessors, lenders and owners of houses, offices, buildings, motor vehicles and other properties, for all acts performed or utterances made in connection with their duties relating to the peace talks, regardless of whether their services are volunteered or remunerated."

In addition the NDF proposed that the government issue safe conduct passes to the NDF negotiators, staff persons, consultants, security men and to others who are directly assisting in the peace talks.

The passes will be valid and irrevocable for the duration of the peace talks and for no less than 30 days after the talks have ended.

The government approved this, but sources refused to say whether the government panel introduced some changes.

The government "likewise irrevocably waives its right to utilize any and all materials, information and data submitted to or produced in the course of the peace talks as evidence in any criminal, civil, administrative or quasijudicial investigation or proceeding in which the rights of any individual may be impaired or placed in jeopardy."

The passes shall guarantee the holder of his right to freedom from search, arrest, apprehension, surveillance, molestation and questioning. NDF security men given the pass shall have the authority to carry firearms.

The proposed agreement also calls for the establishment of a venue for the peace talks in Metro Manila or in any other place as mutually agreed by both parties.

For the duration of the peace talks, both parties shall be allowed to maintain offices and residences as they may deem appropriate.

Government peace negotiators Agriculture and Food Minister Ramon Mitra, Commission on Audit Chief Teofisto Guingona and Maris Diokno (representing her sick father, Human Rights Committee head former Senator Jose Diokno), met with NDF panelists Satur Ocampo and Antonio Zumel for over 3 hours in an undisclosed place last Wednesday afternoon.

The government negotiators reportedly presented the government's refined position on the 100-day ceasefire proposed by Zumel and Ocampo.

Mitra told Malacanang reporters that the government reiterated a 30-day ceasefire which could be extended if some progress in the talks could be made during that period.

There was no "fundamental objection" to the 30-day ceasefire proposal, Mitra said.

The rebels, however, brought up a technical problem. They said they would have difficulty in informing their people in the field within that period as they are not equipped with adequate standard means of communications.

Mitra confirmed that one of the most difficult points to be discussed with the NDF is "probably actions to be classified under hostilities."

Mitra said these actions must be spelled out clearly so that no misunderstanding will arise.

He also said while the rebels gave no assurance that they will not use the ceasefire period to consolidate their forces, the government may not directly ask for such an assurance.

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PHILIPPINES

BUSCAYNO ACCUSES MILITARY OF TRUCE SABOTAGE

OW071309 Tokyo KYODO in English 1248 GMT 7 Nov 86

[Text] Manila, 7 Nov (KYODO)--Former communist rebel chief Bernabe Buscayno accused the Philippine military and defense establishment of trying to "sabotage anew" truce talks with rebels by blaming him and other former communist leaders for a 1971 bomb attack in Manila.

"These charges are a pack of lies...these accusations are intended to destabilize the government and destroy the peace process," the former head of the New People's Army (NPA) told a hastily called news conference Friday afternoon.

The accusations were made by former communist leader Victor Corpuz who told reporters Friday morning the communist hierarchy ordered the attack to "hasten the contradictions within the ruling class."

He appeared to reporters in a suburban military camp to confirm newspaper reports quoting him as blaming the grenade attack on leaders of the Liberal Party on the communists.

Nine persons were killed and 98 wounded in the attack that led former President Ferdinand Marcos to suspend the writ of habeas corpus and order the arrest of suspected communists whom he blamed for the carnage.

Buscayno recalled last September when an agreement between the government and rebel panels was about to be reached, the military suddenly captured (alleged Communist Party Chairman) Rodolfo Salas, his wife and a member of the (rebel) NDF staff.

"Now that an agreement is about to be reached on a ceasefire, the military has come out with lies to destroy the peace talks," Buscayno charged.

Defense Minister Juan Ponce Enrile has tagged communist urban guerrillas as responsible for a series of bombing attacks which have hit Manila in the past weeks. But military authorities have pinned the blame on supporters of Marcos.

Buscayno said he was willing to face his accuser and raised the possibility of filing a libel suit against Corpuz whom he said was a comrade and a friend.

Corpuz also told newsmen he was to be reinstated this month in the military with the rank of lieutenant colonel and said that his reported capture in 1976 was a surrender. He said he left the rebel army because he could no longer "in conscience continue serving the party."

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PHILIPPINES

EDITORIAL SUPPORTS HUNDRED-DAY TRUCE

HK101229 Manila MANILA BULLETIN in English 8 Nov 86 p 6

[Editorial: Hundred Day Syndrome"]

[Text] The rebels want the ceasefire to last 100 days and labor would like a 100-day moratorium on strikes and layoffs. Somebody has yet to make a study on the reasons for the common inclination of protagonists on two fronts to call for a 100-day truce. Is this somehow related to the 100-day honeymoon with the press of a newly elected president?

No matter. The syndrome involves a cessation of hostile action and maybe it reflects the desire of a tired people to shift from a bloody confrontation to constructive competition.

Blood has been spilled in the provinces since the beginning of the last decade. Labor conflicts have increased in number and intensity since 1983 because the economic pie has become smaller. It is not improbable that thinking elements realized it was time to get off the treadmill of discord.

To realize the folly of conflict is the first requirement of progress. For how can people be induced to stay on in the provinces if the government cannot guarantee their safety? How can business flourish if the behavior of the work force is erratic or, vice versa, how can the workers be productive if their welfare is taken for granted? And how can people find employment if on account of hostile factors in the environment the economy ceases to grow?

We are for letting people talk of a 100 days of peace or moratorium. It seems to indicate a new awareness and we cannot help but note its spontaneity.

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PHILIPPINES

COLUMNIST DESCRIBES 'FEAR', RIGHTISTS' TREND

Quezon City BUSINESS DAY in English 30 Oct 86 p 4

["My Cup of Tea" Column by Ninez Cacho-Olivares: "All Those Long, Dar Years"]

[Text] When one feeds on fear, one sometimes attains a measure of success. It can perhaps be said that Juan Ponce Enrile, these past few months, has succeeded in whipping up the anti-communist hysteria by injecting, in all his speeches, the danger of a communist takeover. Many of the so-called moderates I knew, it seems to me, have become such "rightists" whenever the subject of communism crops up. It is understandable. When fear takes over, everything is somehow seen through distorted lenses. Thus, when anti-communists like Juan Ponce Enrile and his ilk tell an audience that there are leftists and communists in government, the immediate reaction would be that of fear — the fear that the Aquino government will soon be swallowed up by the extreme left. Never mind if these Cabinet ministers are not communists but liberals and progressives. The fear has already taken over. And because these ministers do not take the conservative view, they are immediately viewed as leftists and communists.

Thus, when Juan Ponce Enrile tells his audience that, for democracy to survive, communist insurgents must be wiped out from the face of this earth through a

mailed fist policy, many cheer at the prospect of an all-out war against the insurgents. But they hardly ever stop to think of certain important factors. For instance, can the government budget support an all-out war against the insurgents? War means additional pesos and centavos. It means getting more and more soldiers to replace the dead and wounded. It means more instability for the government in power, if it doesn't win the war immediately. It means a lot more things — a lot of consequences, a lot of tears and heartaches — if the government, after declaring war on insurgents, will be unable to quash them.

Juan Ponce Enrile and Gen. Fidel Ramos know that these are likely to occur if an all-out war against the insurgents is declared. But when things get rough and tough, will they ever admit that they made a mistake? I doubt it. There will always be excuses. Perhaps one excuse would be that the government did not support them all the way. Another would be that the Aquino government dallied too long with the peace negotiations, thereby giving the communists sufficient time to regroup, organize and prepare themselves better for the war. Or, they could say that the government failed to weed out corruption or that the socio-economic programs were never implemented. In brief, the blame will be laid on the central government, and never on the

military and defense establishments.

But think about it. Who's pushing for deadlines? Who's pushing for a mailed fist policy against the insurgents? The defense minister and his boys are. So are General Fidel Ramos and his boys. So are the American officials. And Mrs. Aquino is buying that line. And a lot of Filipinos seem to be buying that line as well. But can the Aquino government survive when an all-out war is waged against the insurgents?

Who are these people who now speak of the dangers of the communist threat? Who are these people who speak as if they and only they can lick the insurgents? Who are these people who claim that the military has reformed and is professional? Juan Ponce Enrile, the same Marcos minister who failed to quash the insurgency during his long stint as secretary of defense. The same secretary of defense who, knowing that the martial law scenario was faked, said nothing about it, for years and years. This is the defender of democracy? And, after serving Mr. Marcos faithfully for a great number of years, this self-anointed defender of democracy speaks of corruption in government, of an efficient judiciary and an honest local governments. One wonders: what did he do for democracy all those years? For that matter, what did he do for democracy during the last elections in his region? What did he do for democracy when the Batasan proclaimed Mr. Marcos the winner?

Mr. Enrile was a marked man during the last few years of the

Marcos regime. He and his boys, as admitted by some reformists, had a plan to oust Marcos. That plan failed and, to save their skins, they barricaded themselves in an army camp. And when the four-day revolution happened, all of a sudden, the past is forgotten. The slate is expected to be wiped clean. All of a sudden, the military atrocities committed are to be forgotten and ignored. All of a sudden, his role during the martial law years is considered unimportant. His failure to quell the communist movement in the past is glossed over. And when it does crop up, the excuses are there, ready for all to hear. It wasn't his fault. It was Marcos's fault. Marcos used the army for his own protection. But if Mr. Enrile, the anti-communist, was truly concerned about the growth of the insurgency, or that the communists would swallow the country soon, why then did he not go to luncheons and dinners and flag-raising ceremonies to denounce the Marcos government for its corruption, for its corrupt judiciary, for its ministers and local government officials who were, together with Marcos, milking the country dry?

He should have, if he loved the country as he claims he does. He should have, if he was truly the defender of democracy that he says he is. He should have, if he really believed that what the country really needed was an honest and clean government beyond suspicion and not affected by corruption.

Why then, did he not speak up all those long, dark years?

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PHILIPPINES

CABINET APPROVES 4 BILLION PESOS FOR HOUSING

Quezon City BUSINESS DAY in English 30 Oct 86 pp 1, 2

[Text] The Cabinet yesterday approved a plan to build 91,800 housing units in 1987 at a cost of P4,134 million.

It also gave the National Housing Authority a go-ahead to build 15,193 units worth P251 million for low income earners.

Press Secretary Teodoro Benigno told newsmen these projects would be the start of an integrated housing development program designed to cope with the housing shortage.

He said the program called for creation of a housing and urban development council that would put the financing and construction aspects of the program in one package.

The program aims to provide credit financing for at least 37% of urban housing requirements in 1987, and 44% by 1991. The private sector is expected to fill up the remainder.

Benigno said the Social Security System would contribute P1.2 billion, the Government Service Insurance System P700 million, the Home Development Bank Fund (Pag-IBIG Fund) and the National Home Mortgage Finance Corp. P1.2 billion, in addition to P1 billion in foreign loans.

About 264,000 housing units will be needed in 1987 alone, according to the Cabinet's estimate. In approving the housing program, the Cabinet stressed that housing should be within the means of low-income groups.

The program was submitted to the Cabinet by Herminio Aquino, deputy executive secretary for human settlements; Government Reorganization Minister Luis Villafuerte, National Economic and Development Authority director general Solita Monsod and GSIS manager Feliciano Belmonte Jr.

Nuclear Plant. Presidential legal counsel Rene Saguisag, reporting to the cabinet on the status of negotiations regarding the Bataan nuclear power plant said the government would seek the counsel of Washington to sell P1 billion

worth of nuclear fuel stock. He also said the Nuclear Power Plant Committee, which he heads, would seek additional financial help from the United Nations Center for Transnational Corporations to finance the committee's work.

The Philippines News Agency quoted Benigno as saying that three groups of American companies have expressed interest in buying the plant's uranium.

The uranium was previously intended as fuel for the plant in Morong, Bataan, which the government has abandoned for inadequacy of safeguards.

Benigno did not identify the three groups of prospective American buyers, pending final negotiations, the PNA said.

Saguisag arrived recently from the United States where he scouted for possible buyers of the unused uranium fuel.

Approval of the US Department of Energy is necessary in connection with any sale of uranium to the Philippines and vice-versa.

Benigno quoted Saguisag as saying that he had consulted American government lawyers on the possibility of fraud in transactions concerning the construction of the nuclear power plant.

The government pays \$360,000 daily in interest on loans obtained for the plant's construction and for infrastructures in the plant site.

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PHILIPPINES

CB NET LENDINGS TO GOVERNMENT EXCEED 7 BILLION PESOS

HK071307 Quezon City BUSINESS DAY in English 7 Nov 86 p 2

[Text] The national government last 16 October paid P1.3 billion in interest on foreign loans acquired during the previous years, using credit from the Central Bank [CB], according to CB data made available to BUSINESS DAY.

As a result, the CB's net lendings to the national government jumped P1.3 billion to P7,405 million during 13-17 October from P6,062 million a week before.

It was the first time in recent months that the government's net borrowings from the CB exceeded P7 billion. They had remained at about P6 billion before 13 October.

At the height of election spending in February, the net credit of the national government reached more than P10 billion, prompting the CB to sell high-yield government securities weeks later to mop up the excess money in the economy.

The foreign obligations paid last month had been assured by the CB from the government under the country's agreement with foreign bank creditors. Under the terms of that agreement, the P1.3 billion borrowed from the CB was deposited with the CB.

There was therefore no effect on the "reserve money," the key element of the money supply. Consisting of money in circulation and deposits of banks with the CB, the reserve money actually went down to P39,662 million on 13-17 October from P40,127 million the previous week.

The reserve money is one of the key indicators being monitored by the International Monetary Fund in connection with its credit program with the Philippines.

Reserve money together with reserve eligible securities (known as the "monetary base") should not exceed P51 billion at yearend, according to IMF requirements.

Latest CB data also showed that liquidity in the banking system continued to increase. The reserve position of the commercial banks as a whole continued to improve.

For the week of 10 to 16 October, commercial banks recorded an aggregate reserve deficit of only P25 million compared to about P548 million in the previous week.

Total available reserves, set aside as a portion of deposits, reached P20,205 million during the period as compared to P20,230 million required under CB regulations.

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PHILIPPINES

EMPLOYERS' GROUP PROPOSES STRIKE MORATORIUM

HK031519 Quezon City BUSINESS DAY in English 3 Nov 86 p 2

[Article by reporter Gethsemane M. Selirio]

[Text] The Employers Confederation of the Philippines (ECOP) has proposed a 1-year moratorium on strikes and lockouts to "set the climate" for an economic upturn.

ECOP President Raoul M. Inocentes made the proposal last week, during a meeting of top business and labor leaders and officials of the Labor Ministry. It was the second round of exploratory talks on the possibility of such a moratorium.

Inocentes said 1 year would be enough time for the economic recovery program to make a headway, but added that the duration of the proposed moratorium remained "negotiable."

Three labor groups during the meeting called for a restructuring of the entire labor relations system to achieve "lasting industrial harmony."

Assisted by a slide presentation, Phil Joson, national treasurer of the Federation of Free Workers (FFW), expounded on a need to discuss a "lasting solution" to labor unrest.

Joson said that if labor agreed to a strike moratorium now, it might not be implemented effectively. He noted, for instance, that many strikes are not supported by the labor federations whose officials comprise of Labor Advisory Consultative Council (LACC) which is negotiating for labor in the moratorium talks, but are staged by the "harassed" workers and union leaders.

Joson called for two measures to improve the labor relations system: setting up a three-tier bargaining system which would involve local, industry and national unions; and improving the Labor Ministry's dispute settlement machinery.

These proposals were endorsed by the FFW, the Trade Unions of the Philippines and Allied Services (TUPAS) and the Lakas ng Manggagawa-Independent Unions. [Strength of the workers--independent unions].



Kilusang Mayo Uno [1 May Movement] (KMU) legal counsel Petenciano Flores said the KMU would still have to study the suggestions.

The KMU's apparent hesitation has caused speculations that there may be a rift in LACC. Joson told BUSINESS DAY that the KMU was not included in the labor panel's position because "they did not want to be."

Explaining the reason for the new proposal, Paterno Monson of the Independent Unions said, "We tried not to be reactionary before the employers."

He said the labor groups were keeping an open mind on the moratorium proposal and that they had a "long-range view" of the whole issue.

KMU Chairman Rolando M. Olalia explained that the LACC had agreed during a meeting preceding the moratorium talks that it would not present a position until the employers had presented theirs. "They changed their minds, I was surprised," Olalia said of Joson's slide presentation.

Olalia laughed off suggestions that the other labor groups may be trying to isolate the KMU so that rival Trade Union Congress of the Philippines (TUCP) could take its place in the LACC.

If this is true, he said, "we accept the challenge. Let them take over."

The TUCP, which is not a member of the LACC, was not represented in last week's talks although its top officials attended the first meeting held about 2 weeks ago.

Olalia said he had decided to "lay off temporarily" on the moratorium talks—which appears to be a step away from backing out. He said the KMU would not attend the third meeting, scheduled for this week, because it would still have to discuss the other labor groups' position and the employers' proposal.

"In the meantime, we will continue exercising maximum restraint," Olalia said. "We will religiously, faithfully and strictly observe maximum restraint (in declaring strikes) with or without the moratorium."

The KMU recently issued a joint communique with the National Economic Protectionism Association (NEPA) which formalized a policy of maximum restraint in calling for strikes, particularly those against "nationalist businessmen."

Despite the differences between the labor leaders and the employers, and among labor groups, officials of the Labor Ministry remained optimistic that the talks would lead to a viable agreement. Deputy Labor Minister for industrial relations Franklin M. Drilon gave the talks a "60-40" chance of success.

Labor Minister Augusto S. Sanchez said a KMU pullout was "very hypothetical." Asked if a moratorium could succeed without the KMU, he paused noticeably before saying, "Yes."

"It's not simply a 1-year moratorium that needs to be discussed," Sanchez said. "There are conditions. And naturally, KMU will have to input (some of those) conditions."

LACC leaders reiterated during the meeting that they could not accept a complete moratorium on strikes.

Olalia had previously said that a moratorium would not mean abandonment of workers' right to strike, and that during a moratorium unions could strike on valid grounds, such as deadlocks in collective bargaining.

Labor leaders had also demanded the other week that the employers adopt a moratorium on lockouts, layoffs and retrenchments.

After the first meeting the other week, Sanchez said a written agreement was possible in about 2 weeks.

The meeting last week showed a wide gap between the nature of the proposals by the labor and employers panels.

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PHILIPPINES

PAPER VIEWS ONGOING STRIKE MORATORIUM EFFORTS

HK110712 Quezon City BUSINESS DAY in English 10 Nov 86 p 2

[Article by reporter Gethsemane M. Selirio]

[Text] With ideological differences among major labor groups starting to show, efforts toward a moratorium on strikes and lockouts are being carried out on two fronts.

The first front is "mini-tripartite" negotiation among top labor, management and the Labor Ministry officials on a moratorium. After three meetings, the tripartite group has reached a consensus that a standstill is necessary and that only the duration and conditions remain to be discussed.

A second front involves the alliance between the Kilusang Mayo Uno (KMU) [1 May movement] and the National Economic Protectionism Association (NEPA), an organization of "nationalist businessmen." So far, the KMU and the NEPA have agreed that unions will exercise "maximum restraint" in declaring strikes, particularly those against "nationalist Filipino businessmen."

Involved in both fronts, the KMU, considered as the most militant labor organization, differences among the groups in the Labor Advisory Consultative Council (LACC) coming into play, the KMU is expected to discontinue its participation in the moratorium meetings initiated by the Labor Ministry.

Erstwhile involved in both fronts, the militant KMU is expected to discontinue its participation in the "mini-tripartite" meetings because of ideological differences among organizations in the Labor Advisory Consultative Council (LACC).

BUSINESS DAY sources in the KMU yesterday said KMU officials would issue a resolution during their National Council meeting today and tomorrow in which they would reject any agreement of the LACC on an "absolute moratorium."

Such a moratorium has been proposed by the Labor Ministry in a draft memorandum of understanding.

Last week, Paterno Menzon, chairman of the Lakas ng Manggagawa Independent Union [Workers' strength independent unions], in behalf of the LACC proposed a 100-day "ceasefire" on strikes and lockouts.

Although KMU was represented in the meeting by two of its officials, it made no commitment on the Menzon-initiated proposal.

Sources said the KMU would concentrate on forging a similar strikes/lockouts moratorium agreement with the NEPA.

An accord is being drafted and will be finalized at the end of this week, they said.

The KMU and NEPA are expected to agree on a long-term moratorium in small and medium-scale businesses owned by Filipinos, and reaffirm the policy of "maximum restraint" in declaring strikes against "nationalist Filipino businessmen."

The Labor Ministry's proposal for an "absolute moratorium" concerns strike and lockouts in all industries. The KMU is set to reject this proposal in its meeting this week and discontinue its attendance in the "mini-tripartite" meetings initiated by the ministry, the sources in the KMU said.

Meanwhile, a top military official said last week that 630,000 workers or 3 percent of the country's labor force of 21 million may be considered as sympathizers of the Communist Party of the Philippines.

Philippine Constabulary/Integrated National Police [PC-INP] chief Renato S. de Villa said in a speech delivered by his military aide before the Philippine Council of Management that the great majority in the labor force "are merely drawn into the stream of activism through the adroit manipulation and exploitation by CPP agitators and propagandists."

De Villa said the labor sector holds a key position in the "programs of infiltration by the CPP, as indicated in the party's organizational structure." At present, he said, seven major functional commissions operate under the CPP Central Committee, one of which is the National Commission for Mass Movements and its National Trade Union Department.

This department is tasked with formulating CPP strategies and tactics in the labor movement, training political cadres in the labor sector, and building secret party organizations or underground cells through alliances with labor unions, De Villa said.

Primary targets of the CPP infiltration programs are strategic factories that employ many workers, particularly the multinational corporations, he added. Other main targets are those providing essential services, such as transportation and communications.

"It cannot be discounted that a sizable portion of the prevailing labor unrest is brought about by legitimate demands raised by unions. But more striking to note are the political programs carried by a significant number of groups and which are only being camouflaged by genuine trade union issues," De Villa said.

During the same forum, KMU Chairman Rolando Olalia dismissed all talk about communist infiltration in the labor movement as part of the military's "red-scare tactics." Olalia said communists have been present in the labor front since "time immemorial" and are not the cause of the prevailing labor unrest in the country.

The current problem of labor unrest is "being blown out of proportion," Olalia said. "While it is true that there has been a marked increase in the number of strikes after the fall of the Marcos regime, the fact is that the magnitude of labor unrest does not as yet threaten the viability of the government's economic thrusts, much less the stability of the country's economic and social system."

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PHILIPPINES

BALANCE OF PAYMENTS IMPROVES IN 8 MONTHS

Manila MANILA BULLETIN in English 30 Oct 86 p 21

[Text] The balance of payments position of the country during the first eight months of the year showed significant improvement compared to the same period last year, indicating some recovery in the economy, Central Bank Governor Jose B. Fernandez Jr. said in a speech in a meeting in Australia last week.

Speaking before meetings in Australia sponsored by the Pacific Basin Economic Council, Fernandez said a current account surplus of \$813 million was achieved from January to August this year, representing a sharp turn-around from a \$38 million deficit during the same period last year.

"Improved confidence both in the political and economic management of the country has resulted in a reflow of capital as well as improved current collections on the country's normal sources of non-trade receipts," Fernandez said.

The payment surplus on non-trade items for the first eight months of the year amounted to \$598 million.

Inflows of official development assistance (ODA) to the country likewise increased to \$370 million during the first eight months of the year compared to \$355 million during the comparative period last year.

Increased ODA inflows and a substantial amount of payment surplus on non-trade items raised the level of the country's international reserves to \$1.8 billion as of the first week of this month, a significant improvement from the \$1.1 billion level at the beginning of the year, he said.

The current level of the country's international reserves is more than adequate to finance more than four months of the country's import requirements.

Fernandez also reported that the official peso-dollar exchange rate and the country's external debt situation have stabilized.

While noting positive indicators in the economy, Fernandez said the country's political and economic managers remain concerned with the economy's lack of

growth.

PHILIPPINES

DEFLATION RATE SLOWS IN OCTOBER

HK061419 Quezon City BUSINESS DAY in English 6 Nov 86 p 2

[Text] For the 4th consecutive month, general consumer prices in the country decreased in October from a year ago although they went up slightly over September, according to a National Economic and Development Authority (NEDA) report.

However, the "deflation"--a relatively unfamiliar term after many years of inflation--has slowed down. The NEDA has registered its rates at 0.48 percent for October, 1.12 percent for September, 1.6 percent for August and 1.38 percent for July.

July was the first month in many years when commodity prices in the country decreased from year-ago levels. In June, inflation reached bottom at 0.37 percent.

The NEDA recorded the consumer price index (CPI), the measure of price movements for a select set of essential commodities, at 352.9 points for October as against 351.8 points in September, with 1978 as base year.

These figures indicate that a basket of goods priced at P100 in 1978 were priced at P352.90 last month, as against P354 in October last year.

The highest-ever inflation rate was recorded in October 1984, at 63.8 percent. Based on the CPI, a set of consumer goods priced at P320.10 in October 1984 were priced at only P195.40 in October 1983.

For the last month, the start of the fourth quarter when prices usually rise, the NEDA observed a general uptrend over September in Metro Manila.

The CPI for the region rose by 0.70 percent to 373.6 points from 371.0 in September and by 4.65 percent in October last year.

The Metro Manila rise slackened the nationwide deflation.

In areas outside Metro Manila, commodity prices went down 1.47 percent last month from October 1985.

Most food items registered price increases throughout the country, the NEDA said. It said significant price markups in fruits and vegetables were observed in all the regions.

In many provinces the prices of meat, rice and miscellaneous foods such as cooking oil and sugar were likewise higher during October.

Corn prices increased noticeably in northern and southern Mindanao, the NEDA added.

It said all these factors during October brought about a 0.68 percent rise in the food, beverages and tobacco price index in the country, 1.25 percent in Metro Manila and 0.56 percent in areas outside Metro Manila.

Prices of cement, pipes and plywood rose in some provinces, but there was a considerable decrease in prices of nails, GI sheets and other construction materials. The housing and repairs index for areas outside Metro Manila decreased 0.03 percent.

In Metro Manila, the housing and repairs index went up by 0.81 percent due to the higher cost of paints, plumbing materials and increased rental fees. For the whole country, the slight decrease in the index in areas outside Metro Manila and the increase in Metro Manila increased the housing and repairs index by 0.19 percent.

The index for miscellaneous items rose 0.11 percent in all areas of the country. This growth, said the NEDA, was brought about by an upswing in prices of household furnishings and furniture and items for personal care and effects in Metro Manila and increases in prices of medicines and items for household operations in areas outside Manila.

The fuel, light and water index continued to drop nationwide.

It went down 0.71 percent for the whole country, 0.25 percent for Metro Manila and 0.78 percent for areas outside Metro Manila.

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PHILIPPINES

NEWSPAPERS REPORT ON EXPORT OF COCONUT PRODUCTS

Receipts Up 5 Percent

HK061305 Manila MANILA BULLETIN in English 6 Nov 86 p 17

[Text] Philippine coconut export receipts inched up by only 5 percent from \$407.9 million during the first three-quarters of 1985 to \$428.9 million the same 9-month period this year despite the steep rise in the export volume.

The Philippine Coconut Authority (PCA) traced the minimal increase in foreign exchange earnings to the steady decline in the coconut products prices, particularly coconut oil, which reached historical lows never anticipated before.

Volume-wise, there was a dramatic surge in the total export shipments during the first three-quarters this year as it reached 1.7 million metric tons of COPRA terms or a sharp rise of 113.5 percent over the comparable period last year which stood at 820,342 metric tons.

This performance could be attributed to the favorable wealthier conditions and the lifting of the 3-1/2 year old COPRA export ban.

The attractive price of coconut oil, being the lowest among the competing oils in the foreign oil markets during the period in review, has won new markets and reconquered the old ones.

This resulted in the unprecedented rise in coconut oil exports to 128,298 metric tons, or 120.6 percent over the comparable period last year.

When gleaned on a quarterly basis, PCA said, this year's performance in terms of volume was extremely encouraging. From 507,106 metric tons during the first quarter total turnover rose to 535,079 metric tons in the second quarter and further up to 709,309 metric tons in the third quarter.

This year's total shipments for the first 9 months is considered the highest since 1976 when total turnover was recorded at 1.83 million metric tons, in COPRA terms, for the same period.

PCA said total industry earnings until the third quarter could have been higher were it not for the dismal market trend that pushed down prices of coconut products, particularly coconut oil, by an average of 54 percent over the last 9 months.

With an average price of 16.40 cents per pound in the first quarter, 12.90 cents per pound in the second quarter and 10.48 cents per pound in the third quarter, coconut oil price was at its lowest level since 1972 when the average coconut oil price from January to September registered at 8.18 cents per pound.

#### Coconut Oil Exports Up 155.9 Percent

HK111139 Quezon City BUSINESS DAY in English 11 Nov 86 p 6

["Economic Indicator" column: "Coco Oil Exports Rise"]

[Text] The volume of crude coconut oil exports rose sharply by 155.9 percent to 806.38 million kilos in the January-August period from a year-ago level of 315.1 million kilos, data from the National Census and Statistics Office (NCSO) showed.

However, earnings from the exports rose only 13.1 percent to 233.987 million from \$206.892 million because of low prices.

World market prices of crude coconut oil have plummeted from about 15 U.S. cents a pound at end-January, the lowest in 10 years, to 9.75 cents a pound in August, the lowest ever.

Of the total crude coconut oil exports, 355.4 million kilos or 41.6 percent went to the United States and 202.68 million kilos or 25.1 percent went to Holland. The remainder went to the Soviet Union, West Germany, Turkey, China, Britain, South Korea, Japan, Hong Kong, France, Canada, Puerto Rico, Argentina, Denmark, Spain, Italy, and Pakistan.

#### Crude Coconut Oil Exports January to August 1985 & 1986

	Quantity (In thousand kilos)	Export Value (In thousand dollars)
1986		
January	95,765	35,408
February	89,197	32,126
March	90,208	31,989
April	89,443	28,314
May	134,380	29,178
June	90,716	24,296
July	107,770	27,970
August	108,904	24,616
Total	806,383	233,897

1985	Quantity ( <u>In thousand kilos</u> )	Export Value ( <u>In thousand dollars</u> )
January	31,776	26,644
February	11,575	7,643
March	10,460	8,032
April	55,004	42,288
May	41,445	29,536
June	45,745	28,770
July	79,107	43,776
August	39,989	20,203
Total	315,101	206,892

Source: National Census and Statistics Office

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PHILIPPINES

BRIEFS

TEAMS TO HANDLE MINDANAO ELECTION PROBLEMS--The Commission on Elections [Comelec] yesterday [7 November] created special action teams to handle problems in five Mindanao provinces and the 1st district of Cebu. The five Mindanao provinces singled out as traditionally problem areas are Lanao del Sur, Lanao del Norte, Sulu, Tawi-Tawi, and Maguindanao. Creation of the special action teams is contained in Resolution No 1791 released by the office of Comelec Chairman Ramon Felipe Jr last Thursday. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 7 Nov 86] /9604

MINDANAO GROUP OPPOSES CHARTER--In Davao City about 400 multi-sectoral leaders in Mindanao rejected the draft constitution during the first Mindanao summit hosted by the Mindanao-Sulu-Palawan Association in that city. The group's stand was contained in a resolution which also urged the Aquino government to withdraw the draft charter before the end of the year. The resolution said, as a consequence, the Aquino government should call a constitutional convention whose delegates will be chosen by the people. The proposed charter, drafted by a constitutional commission whose members were appointed by President Aquino, will be submitted to the people on 2 February next year for ratification. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 9 Nov 86] /9604

PRO-AQUINO, PRO-MARCOS RALLIES--Some 20,000 demonstrators yesterday [9 November] converged at the Liwasang [Plaza] Bonifacio to throw their support behind the government of President Aquino and the ratification of the draft constitution at next year's 2 February plebiscite. The president's brother-in-law Agapito "Butz" Aquino urged the crowd to secure with their lives "our newly found freedom and democracy against those irresponsible and unreasonable people who again want to sow terror and chaos in the society." In another development, some 2,000 Marcos loyalists held their own demonstration at the Quezon Memorial Circle in Quezon City on campaign for the rejection of the proposed charter. The Liwasang Bonifacio rallyists were led by Metro Manila OIC [Officer-in-Charge] Joey Lina and other Metro Manila OIC mayors. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 9 Nov 86] /9604

ABRA NPA TOWNS--Bangued, Abra--Only three out of 27 towns of Abra are infested by New People's Army (NPA) rebels, Lt Col Enrique Cuadra, Abra Constabulary commander said. The towns are Tineg, Lacub and Malibcong where the residents could not freely move due to NPA's presence. However,

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in most areas where the Cordillera People's Liberation Army (CPLA) and the military are now in the good terms, the residents feel safe in pursuing economic activities like agriculture, fishing, and commerce, Cuadra said. He said that the NPA's will be driven out of the province as they are no longer supported by their civilian mass bases. [Text] [Manila MANILA BULLETIN in English 10 Nov 86 p 14] /9604

AQUINO IN CHARGE WHILE AWAY--Presidential Special Counsel Rene Saguisag yesterday [11 November] said that President Corazon Aquino manages the country's affairs even while she is in Japan on an official visit. The report from Art Pabellion: [Begin recording] Presidential Special Counsel Rene Saguisag said yesterday that President Aquino manages the country's affairs even while she is in Japan on an official visit. Saguisag made this clarification, correcting impressions that the country does not have anybody in charge of the affairs of state while the president is away. He said that President Aquino runs the affairs of state with the use of modern means of communications. The president communicates with the (?group) of Secretary Joker Arroyo who, in turn, communicates with Vice President Laurel everyday. The presidential [words indistinct] management is to [words indistinct] administrative order number four which the president issued last 12 August to provide guidelines for the conduct of public affairs when the president is out of the country on official visits. [end recording] [Text] [Manila Far East Broadcasting Company in English 2300 GMT 11 Nov 86] /9604

COALITION SCHEDULES BAGUIO MEETING--In Baguio City, an assembly for the creation of a Cordillera broad coalition will be held tomorrow morning at the Baguio convention center to give opportunities for organizations interested in participating in the talks for peace in the Cordilleras [words indistinct]. The assembly will open at 8 o'clock in the morning. All sectoral groups and organizations who would like to be represented in the coalition are advised to send two representatives each. Also invited to the assembly are government officials of Baguio, Benguet, and other mountain provinces. The formation of the Cordillera Broad Coalition is in answer to the clamor by sectoral groups to be also represented in the peace talks initiated by the government, the Cordillera People's Liberation Army [CPLA], and the Cordillera Bodong [blood pact] Association [CBA]. Representatives of the Cordillera Broad Coalition will be (?formed) and the local government [words indistinct] will meet representatives of the CPLA and the CBA on 15 November to discuss areas of common concern and to plan for the forging of lasting peace in the Cordilleras. [Text] [Baguio City Mountain Province Broadcasting Company in English 0330 GMT 10 Nov 86] /9604

CORDILLERA GROUP'S DEMANDS--Cordillera People's Liberation Army [CPLA] leader Father Conrado Balweg has asked for additional protection during a dialogue between his group and a government panel. This was learned from Officer-in-Charge Mayor Francisco (Palaon) yesterday in an interview with MPBC [Mountain Province Broadcasting Company] news. (Palaon), who is a member of the government panel, said that a committee has been created to hasten the achievement of a lasting peace in the area. The

committee has established a secretariat at the [words indistinct] compound in the mansion house, and it has received the main demands of the groups and 10 additional and immediate demands which were announced last Monday by Mr Butz Aquino. The demands which are now being looked into by the government include the following: the opening of a regular bus line between Bontok, Mountain Province, and Tabuk, Kalinga-Apayao; the channelling of the monetary rewards earlier offered by the government for the capture of ranking members of the CPLA to development projects in the Cordilleras; the wholesale cancellation of the Siffu River dam project; and the elimination of middlemen in the coffee and dried beans business in Mountain Province. [Excerpts] [Baguio City Mountain Province Broadcasting Company in English 0400 GMT 9 Nov 86] /9604

DECLINE IN COST OF OIL IMPORTS---Crude oil imports of the Philippines from January to September this year reached only \$567.4 million compared with slightly over \$1 billion during the same period in 1985. The 44 percent fall in the net oil bill was traced to a drastic drop in oil prices even if there was an actual rise in the volume of crude imports. The Philippine National Oil Co. said yesterday the industry paid an average of only \$12.95 per barrel during the first 9 months compared with \$26.84 per barrel during the same period last year. The import volume was up 14 percent from 38.78 million barrels to 44.2 million barrels. The industry figures also indicated that there was a perceptible uptrend in the consumption of petroleum products which reached 43.8 million barrels or a rise of 4.7 percent. In the industrial sector, a consumption increase of 8.8 percent was noted with 28.2 million barrels compared with 25.8 million barrels in 1985. The rise in the usage of industrial oil would seem to show that a number of industries have resumed significant operations again probably in the third quarter. During the first half, the industrial sector has generally been known to have operated at less than 50 percent utilization. [Text] [Manila MANILA BULLETIN in English 6 Nov 86 p 17] /9604

BUS STRIKES UNRESOLVED--The labor disputes at Pantranco North Express, Inc. and Philippine Rabbit Bus Line Co. remained unresolved as of press time yesterday. The management panel did not show up for a conciliation meeting. Labor Minister Augusto S. Sanchez asked union members to return to work because their strike would make it hard for Metro Manila residents to go to the provinces for the holiday this weekend. The workers refused. In the Philippine Rabbit case, the union demanded that an ownership issue be resolved first. Two families are fighting a legal battle over the company's ownership. [Text] [Quezon City BUSINESS DAY in English 30 Oct 86 p 1] /13104

CSO: 4200/111

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

EMIGRE CONDEMNS CGDK. ASKS FOR NEW RESISTANCE GROUP

Paris MOUL KHMER in French Jul-Aug 86 pp 9-11

[Article by Ou Chai]

[Text] Need for a New Resistance Force

Leaving aside the evident complicity of a certain number of foreign governments, the genocide of the past, the Vietnamese colonization program of today, and the present impasse in Cambodia are also the result of the lack of political courage of its people. Cambodians, whether government officials, farmers, or workers--and still worse, their intellectuals, both in Cambodia as well as abroad--are living in an unthinking way, submerged by the weight of the past. Furthermore, they have learned nothing and forgotten nothing. This subconscious form of torture shows itself in different ways.

Fear of Calling a Spade a Spade

Genocide was truly the work of the Khmers Rouges. However, how many Cambodians dared to raise their voices to condemn the tyrants: Pol Pot, Ieng Sary, Khieu Samphan, or Son Sen? If this behavior was that of hostages living in Cambodia, under the direct threat of these torturers, that could be understood! Sihanouk and Son Sann were the worst of all. Instead of condemning the tyrants, they lent themselves, whatever the cost--they felt that the preservation of the coalition government required it--to provide them with cover and to present them in the best light! That will not surprise anyone, as so few Cambodians have any confidence in these seriously compromised leaders, since they were very closely tied to the tyrants. These two men have lost all of their vision and all of their courage, retaining only the will to work to bring these assassins back to power, under the pressure of the Chinese. In this connection, they are behaving exactly like robots programmed in advance or sleepwalkers under the control of the hypnotizers involved in this affair. What is particularly dangerous is that these robots or sleepwalkers would be quite capable of committing loathsome acts against the true nationalists who are isolated but lack sufficient protection. How could we expect that these machines controlled from elsewhere would act in any other way some day, except in accordance with their self-imposed program? If they speak, they would not be able to call a spade a spade.

## Morbid But Criminal Submission

Like other people, the Cambodians love their country very much. Unfortunately, their day to day actions are irresponsible. Cultural or religious meetings successfully attract almost all of the community. However, a meeting with the true political objective of liberating the people only brings together a few hundred Cambodians. Apparently, this either involves a spirit of resignation, pure and simple, under the assumption that others will act on their behalf, or it demonstrates their inability to discern their true interests. All of these apolitical festivities would not lead to anything if they were not accompanied by important political decisions aimed at helping to chase the Vietnamese Communists and the Khmers Rouges out of the country. The error of this state of mind lies with the successive governments established in Cambodia which have prevented the conduct of a learning process and living a political life. Is this the fault of French colonialism, which was different from the British variety, which knew how to prepare their colonies for the operation of democratic institutions before granting them independence? This kind of submission had levels and levels. Sihanouk and Son Sann submitted themselves to the Chinese, without daring to condemn the torturers of the Cambodian people. And their supporters obey these two leaders zealously. This is the way the history of Cambodian submission to various foreign powers and their lackeys is written. The present level of Khmer political awareness has stabilized at a medieval level, compared to the political awareness of the western world. It lacks maturity and a will to emancipate itself. Fatalistic submission flows from the infantile character of our politicians.

## A Limited View of the World

The successive leaders of Cambodia have had a limited view of the political, economic, and cultural world and especially of democracy. The sinister proof of this is that the Khmers Rouges closed the borders in an effort to establish, at the end of the 20th century, an autarchic economy, with their concept of the freedom of the caves and the way of life of primitive peoples. First of all, these leaders never thought about the situation at all, when it was a matter of fundamental questions, such as the life or death of their country. They were a bunch of neurotics. They let themselves be led by the evil side of their natures or by fatalism, like Sihanouk and Son Sann, although they showed a sense of humor from time to time, as a sign of conscience. Thus we were once able to observe the coalition between the North Vietnamese, the Khmers Rouges, and Sihanouk. At the present time, there is an association between Sihanouk, Son Sann, and Pol Pot, but the Vietnamese thieves are absent. As far as Son Sann is concerned, either he is politically limited in intelligence, is abdicating before this high responsibility which constitutes a healthy form of liberation, or is engaged in calculating profit and loss like a businessmen. Since he was a cabinet minister for 17 times in various Cambodian Governments, for him personal affairs, like money, does not smell.

## Unscientific Attention

In a dialectical sense, these are the men who made history. In simple terms, concerning Cambodia, it is the Cambodians who are the primary artisans of



their future. This future depends on investments made in the past and actions undertaken in the present. Given the present state of things and in view of the present political balance, the end of the Khmer tunnel remains blocked up. The unlikely departure of the North Vietnamese would leave the Khmers Rouges, the principal allies of the Chinese, with a free hand. Then the Cambodian people would be left to face other forms of torture and suffering. It would be another form of genocide. What should we do? Can we count on Sihanouk or Son Sann, those fugitive will-of-the-wisps? The Cambodian people have gone through tragic experiences with them. Only a nationalist political force and army, not committed to either the Khmers Rouges or the North Vietnamese, an independent force not committed to anyone at all, could deliver this country from the present impasse and lead Cambodia to complete and real independence. Until now, all of the political and military activity has only been romantic literature, against the macabre backdrop of genocide.

### True Fighters for Freedom

It is not the Khmers Rouges who are responsible for nearly 2 million dead, nor the Heng Samrin's, former Khmers Rouges, thanks to whom the North Vietnamese were able to colonize Cambodia. It was not the supporters of Sihanouk and Son Sann, who are only semi-finished products of the strategy of the Chinese, who are responsible for the geographic division of zones of influence with the Russians. The true fighters for freedom, here and there, are pawing the ground with impatience. This is because, in this world, where everything is a game of arithmetic between governments, no country dares openly to support liberation against the official will of these states. This entirely official will is covered by the machinery of the United Nations, which acts as a referee in conflicts without being concerned about the real wishes of the people concerned. Why is the United Nations imposing a criminal coalition on the Cambodian people? Paradoxically, only the non-governmental religious, juridical, and humanitarian organizations can apply the moral values of man, across the world. The official organizations follow the paths of the status quo, with pretended and anachronistic compromises. Was it necessary for the "National Council for the Liberation of Cambodia," established last year by Cambodian nationalists, to turn toward these non-governmental institutions to reject the interests of the governments established in this country? For only these associations dare to criticize their respective leaders and constitute a real pressure group against the criminal actions of these states which are responsible for the present Cambodian situation. There are the reasons for the existence of the "Conseil National de Liberation du Cambodge" [National Council for the Liberation of Cambodia]. It is a front which rejects the present impasse, because the true, major stakes in Cambodia, for these foreign powers, is the installation of a regime which will be part of their global strategy, without concerning themselves with the interests of the Cambodian people. Under these conditions, we ask all international organizations, even the non-governmental groups, to assist the "National Council for the Liberation of Cambodia" to drive the North Vietnamese and the Khmers Rouges from this country, so that its people may enjoy independence and liberty. However, unfortunately, this new path has not yet been adequately explored up to the present.

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

EMIGRE ASSAILS SIHANOUK, SON SANN, CGDK

Paris MOUL KHMER in French Sep 86 pp 6-8

[Article by Sim Var]

[Text] Will It Soon Be the End of Cambodia?

Will our country die a natural death sooner than expected, due to the fault of the Cambodians themselves, since North Vietnam promised quite recently to withdraw in 1990 its troops which have been occupying the country since 1979? It will die, if certain incorrigibly credulous people continue to allow themselves to be abused by the North Vietnamese, despite the numerous lessons of the past. It will die, if they still naively believe in the implementation of this promise on the scheduled date. On the other hand, the pseudo Khmer Government, pompously called an anti-Hanoi coalition, seems to find this delay in the North Vietnamese evacuation of Cambodia too long, no doubt believing that Cambodia should disappear as soon as possible from the map of the world, without waiting for the date determined by the enemy.

In effect, according to documents in our possession, signed by our dear Prince Norodom Sihanouk, president of the CGDK, and by Prince Mohasambath Son Sann, documents which we publish elsewhere, the pseudo-government is reportedly engaged in negotiating the sale of the land on which the Khmer Embassy in Tokyo stands for more than \$10 million to a Japanese mafia gang, under the false pretext of obtaining money to sustain the Khmer resistance against the Vietnamese occupation of Cambodia.

Now the land on which the Khmer Embassy in Japan stands, like that of other Khmer embassies abroad, belongs to the Khmer state but in no case is it the private property either of our dear Prince Sihanouk or of our dear Prince Son Sann. These latter figures, despite the titles they have, do not possess either the right or the powers to turn over the smallest part of our national patrimony. This is because their government was only set up by foreigners and is in exile. Moreover, these persons, although they are president and prime minister of the government, have no more rights than we other political refugees have. Should their negotiations be concluded as they now hope, this would be a mortal blow for our country, because no one could then prevent them from selling all of our other embassies abroad.

Certainly, money is the central nervous system of the war and therefore indispensable in the struggle against the enemy. However, these personalities should provide it themselves, since they are principally responsible for the war which has been going on among us since 1970, a war provoked by themselves with the help of our North Vietnamese enemies in order to carry out an act of aggression against their own country, quite simply to gain or to regain power. It is of little importance to them that Cambodia and its people are dying, provided they obtain power. This unprecedented scandal fills our compatriots with great emotion, wherever they are: in Japan, in the United States, and in France. When they heard the news, these compatriots reportedly organized large demonstrations, soon to be held, in Tokyo and in Paris to protest against turning over this part of our national patrimony.

Furthermore, a former Cambodian minister of justice, who is now a refugee in France, considers that the situation in which the CGDK finds itself is comparable to that of General de Gaulle, who had to achieve French national unity in order to fight against Nazi Germany, which occupied France during World War II, 40 years ago. In effect, General de Gaulle, whose burning patriotism was known to all of the French people, succeeded in achieving the national unity of all French patriots. However, he never admitted traitors and "collaborators" into his camp. This is the reason why the French people, after the war, were able to bring such people before the courts.

Now, the case of Cambodia is quite different. In effect, those who pretend to be carrying on a resistance struggle against the North Vietnamese occupiers are the same ones who, in the recent past, were helped by North Vietnamese troops to carry out an act of aggression against Cambodia, which is their own country. Therefore, they are simply guilty of crimes of high treason. Consequently, it is totally incorrect to compare them with General de Gaulle. Even at the present time, 40 years after World War II, the French Government continues to search for those who collaborated with Nazi Germany in order to punish them and to ensure that examples of treason of this kind will not be repeated in the future.

In Cambodia the contrary is taking place. In effect, the prime minister of the pseudo-coalition government has agreed on his own, and without consulting with anyone, to join with the traitors to their country in a coalition government. These are the traitors who, when they had power, thanks to the help of the enemy, had several million of their compatriots massacred for no reason at all. By acting in this way this prime minister considers these traitors national heroes, joining hands with them to clear their names and to restore their fortunes, thanks to his label as a nationalist.

Regarding the former minister of justice previously mentioned, he thinks that it is necessary to achieve national unity at all costs, even with the traitors, leaving it until later to have them tried, when Cambodia is liberated from North Vietnamese occupation. We think that this former minister of justice does not see beyond the end of his nose, because if General de Gaulle succeeded in achieving French national unity, it was because he was an ardent patriot and because, moreover, his political party was the strongest, whereas in our country the nationalist party represented by the prime minister is the weakest party. If, by a miracle, Cambodia could be liberated from the yoke of the enemy, it is certain that the party of the

traitors, which is the strongest of all, would again assume power. It would then no longer be possible to bring the Khmers Rouges, who were responsible for genocide against our people, to trial.

However, we are in agreement on achieving Khmer national unity in order to free our country of foreign occupation. Nevertheless, the Khmer national unity which we want necessarily excludes the participation of traitors.

Therefore, it is high time that these leaders of the three factions of the resistance should withdraw from the political scene, instead of hanging on to their present positions, no matter what the price, under the pretext that after them would come a disaster or the end of the world. Let them give way to the young people who represent the future of our country!

Poor Cambodia. Why do you always let yourselves be abused by these false supporters ("Achar Bang Chheu," thieves), who teach renunciation of the goods of this world? Why don't you understand that they are leading you toward your disappearance from the map of the world?

5170

CSO: 4219/7

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BRIEFS

LABOR DAY OBSERVANCE--Some 35,000 Vietnamese workers and cadres Soviet experts last Sunday [2 November] took part in a communist labor day at the Hoa Binh hydroelectric power project, northwest of Hanoi. [sentence as received] The labor day was held as greeting to the 69th anniversary of the October Socialist Revolution. [Text] [Hanoi International Service in English 1000 GMT 4 Nov 86 BK] /12232

HUNGARIAN JUDICIAL DELEGATION ARRIVES--Hanoi, VNA 5 November--A delegation of the Supreme Court of Hungary led by Dr Zoltan Nagy, vice president of the Supreme Court and president of the State Economic Arbitration Committee, arrived here yesterday on a visit to Vietnam at the invitation of the Vietnam Supreme People's Court. [Text] [Hanoi VNA in English 1505 GMT 5 Nov 86 OW] /12232

GDR ENVOY LEAVES--Hanoi VNA 5 November--Ambassador of the German Democratic Republic to Vietnam Hermann Schwiesau left here today concluding his term of office in Vietnam. [Text] [Hanoi VNA in English 1506 GMT 5 Nov 86 OW] /12232

U.S. NICARAGUAN ACTS SCORED--Hanoi VNA 6 November--The army paper QUAN DOI NHAN DAN today flays the U.S. imperialists for their serious moves in preparation for a war of aggression against Nicaragua. The paper, in a commentary, recalls that following its secret deliveries of weapons to mercenaries in Honduras, the U.S. has decided to give 100 million dollars as aid to the Contras. Faced with the U.S. threat of aggression, the paper notes, the Nicaraguan people have always heightened their vigilance and determination to defend their homeland. The paper quotes President Daniel Ortega as affirming that though the United States has sent more millions of dollars, and mercenaries and even U.S. soldiers to participate in the war of aggression, it cannot defeat the Nicaraguan revolution, because this revolution is of the people. After highlighting the Sandinista forces' victories in breaking the Contras' cross-border attacks, QUAN DOI NHAN DAN notes that the Nicaraguan people's just struggle has won great support for the progressive people throughout the world. If the Reagan authorities blindly invade Nicaragua, they will meet with a "second Vietnam" right at the place which used to be the U.S. back-yard. [Text] [Hanoi VNA in English 0715 GMT 6 Nov 86 OW] /12232

VIETNAM, GDR TRADE AGREEMENT--Hanoi VNA 6 November--A protocol on goods exchange and payment for 1987 between Vietnam and the German Democratic Republic was

signed here yesterday. Signatories were Nguyen Tu, vice-minister of foreign trade, and his GDR counterpart, Jochen Steier, who is leading a GDR delegation on a visit to Vietnam. The same day, the GDR guests were received by Doan Duy Thanh, member of the party Central Committee and minister of foreign trade. [Text] [Hanoi VNA in English 1510 GMT 6 Nov 86 OW] /12232

USSR AGRICULTURAL MECHANIZATION AID--Hanoi VNA 5 November--The Soviet Union has over the past 30 years granted all-round assistance to develop agricultural mechanization in Vietnam. Among the total 16,000 tractors available in the country, 11,000 were provided by the Soviet Union. It helped Vietnam with six tractor repair factories and 148 small service stations. Every year it supplied hundreds of tons of tractor parts. The Soviet Union also helped train workers and engineers and build a number of research centres and vocational schools specializing in farm machines. [Text] [Hanoi VNA in English 0742 GMT 6 Nov 86] /12232

SOVIET EXPERTS AWARDED--Hanoi VNA 6 November--The State Council has decided to confer Vietnam's Labour Orders on 20 Soviet experts working on the construction site of the Hoa Binh hydro-electric power plant on the Da River. At a ceremony held at the site yesterday, Phan Ngoc Tuong, alternate member of the CPV Central Committee and minister of construction, handed the Orders including 3 of the Second Class and 17 of the Third Class over the Soviet recipients. The presentation was made in honour of the 69th Russian October Socialist Revolution (7 November) to recognize the outstanding contributions of Soviet specialists to the recent second phase of damming the Da River. [Text] [Hanoi VNA in English 1521 GMT 6 Nov 86 OW] /12232

NEW MOZAMBIKAN PRESIDENT GREETED--Hanoi VNA 5 November--Truong Chinh, general secretary of the Communist Party of Vietnam and president of the State Council, today sent warmest congratulations to Joaquim Alberto Chissano on his election as president of the Frelimo [Mozambique Liberation Front] Party and of the People's Republic of Mozambique. His congratulatory message says: "We firmly believe that, in position as the head of the Mozambican Party and state and together with the Central Committee of the Frelimo Party, you will lead the Mozambican people and armed forces to overcome present difficulties and trials to defeat all schemes of sabotage and aggression by imperialism, the South African apartheid regime and other reactionary forces, and win many new successes in consolidating national independence, making Mozambique a prosperous country, and firmly defending your people's revolutionary gains. "We would like to reaffirm our militant solidarity with and strong support for the Mozambican people's glorious revolutionary cause." It wishes the new Mozambican president the best of health and brilliant success in his noble mission. [Text] [Hanoi VNA in English 0759 GMT 6 Nov 86 OW] /12232

HUNGARIAN DELEGATION GREETED--Hanoi VNA 7 November--Nguyen Huu Tho, vice president of the State Council and chairman of the National Assembly, received at the presidential palace here today a visiting delegation of the Supreme Court of Hungary led by Dr Zoltan Nagy, first vice president of the court and president of the State Economic Arbitration Committee. Also at the reception were president of the Vietnam Supreme People's Court Pham Hung and Hungarian Ambassador Bela Benyei. [Text] [Hanoi VNA in English 1609 GMT 7 Nov 86 OW] /12232

SUPPORT FOR PLO REITERATED--Hanoi VNA 7 November--The Vietnamese people continue their support for the Palestinian and other Arab peoples' just struggle against imperialism and Zionism, and for their basic national rights. This was reiterated by Cabinet Minister Vo Dong Giang in his recent reception here of Said Khalil al-Masri, representative of the Palestine Liberation Organization (PLO). Vo Dong Giang strongly criticized the imperialist and other reactionary forces for intensifying tension in the Middle-East and imposing their will upon the Arab nations. [Text] [Hanoi VNA in English 1454 GMT 7 Nov 86 OW] /12232

ETHIOPIAN MINISTER CONGRATULATED--Hanoi VNA 7 November--Foreign Minister Nguyen Co Thach yesterday sent congratulations to Bernanu Bayih [name as received] on his appointment as foreign minister of Ethiopia. [Text] [Hanoi VNA in English 1608 GMT 7 Nov 86 OW] /12232

USSR'S OCTOBER REVOLUTION MARKED--Hanoi VNA 8 November--Various functions have been held by the chapters of the Vietnam-USSR Friendship Association in provinces in honour of the 69th Russian October Revolution (7 November). Vietnamese workers and Soviet experts at the Lao Cai apatite mine in Hoang Lien Son and the Na Duong coal mine in Lang Son have signed labour emulation contracts to boost production. Meetings, photo and book exhibitions and film shows were arranged in the provinces of Ha Tuyen, Bac Thai, Nghe Tinh and Quang Nam-da Nang, highlighting great achievements recorded by the Soviet people, and development projects built with Soviet assistance in Vietnam. [Text] [Hanoi VNA in English 1457 GMT 8 Nov 86 OW] /12232

ALBANIAN PARTY ANNIVERSARY HAILED--Hanoi VNA 8 November--The coming into being 45 years ago of the Albanian Communist Party (now the Albanian Workers Party) [AWP] is an important event in Albania's history, says NHAN DAN in an article today. The paper notes: "The Albanian communists and people are celebrating the 45th anniversary of their party at a time when the 9th Congress of the Albanian Party of Labour has just ended with success. The documents adopted at the congress clearly point out the (?need) of development in the new stage of revolution encouraging the working people to go forward and record still greater achievements." The paper wishes the "fraternal Albanian communists and people under the leadership of the AWP success in implementing the resolution of the 9th AWP Congress, and the friendship and cooperation between Vietnam and Albania further consolidation and development in the interests of the two peoples and of peace and socialism. [Text] [Hanoi VNA in English 0701 GMT 8 Nov 86 OW] /12232

SOVIET BALLET PERFORMS--Hanoi VNA 9 November--A ballet troupe of the Moldavian Soviet Socialist Republic is making a performance tour of Vietnam in honour of the 69th Russian October Socialist Revolution. "Useless Care" is the name of a ballet being performed on the Vietnamese stage by Moldavian dancers. [Text] [Hanoi VNA in English 0232 GMT 9 Nov 86 OW] /12232

CSO: 4200/115

LIGHT INDUSTRY

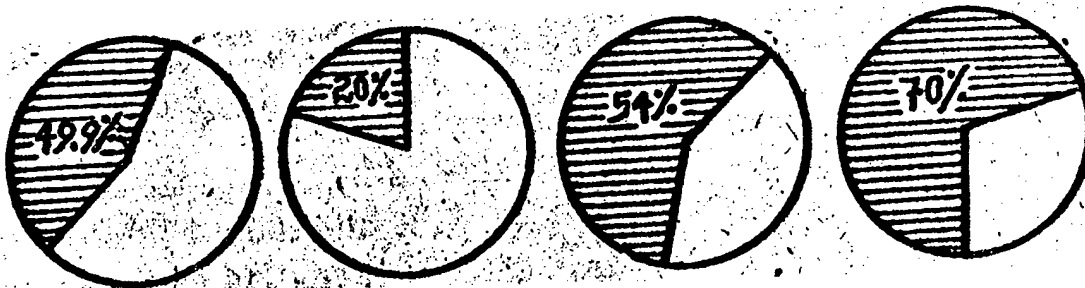
VIETNAM

GRAPHICS PROVIDED ON SMALL INDUSTRIES, HANDICRAFTS

Hanoi TIEU CONG NGHIEP in Vietnamese, Sep 86 pp 4-6, 10-11

[Text] Small Industries, Handicrafts in Relation to the Public Economy and Social Life

Total Output Value of Small Industries, Handicrafts



Compared to entire  
industry sector  
(including small  
industry, handicrafts)

Group A only  
(producing  
production)

Group B only  
(producing  
consumer goods)

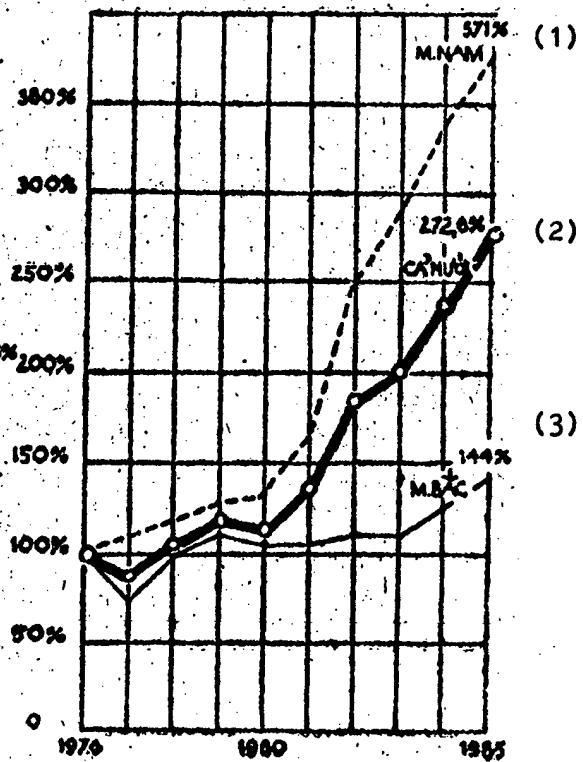
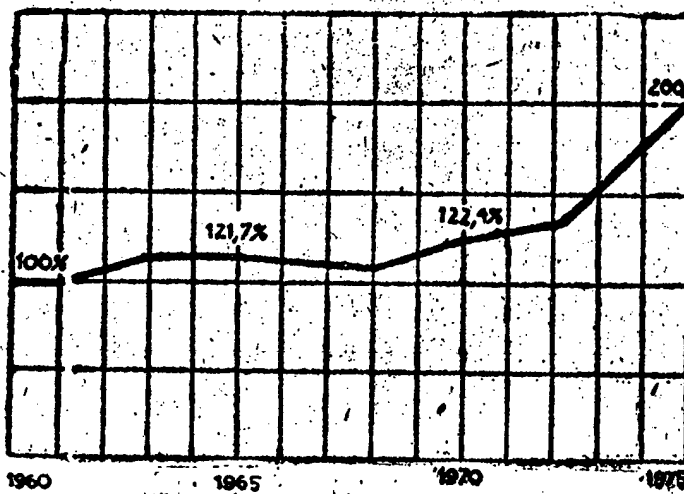
Compared to local  
industry  
(including small  
industry, handicrafts)



Developmental Pace of Small Industry, Handicrafts Production

NATIONWIDE, 1976-1985

IN THE NORTH, 1960-1975

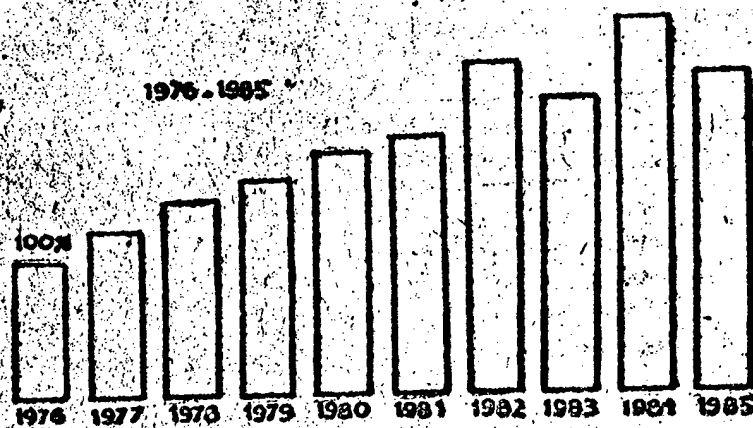


Key:

1. the south
2. nationwide
3. the north



#### EXPORT VALUE OF SMALL INDUSTRY, HANDICRAFTS PRODUCTS



#### Did You Know?

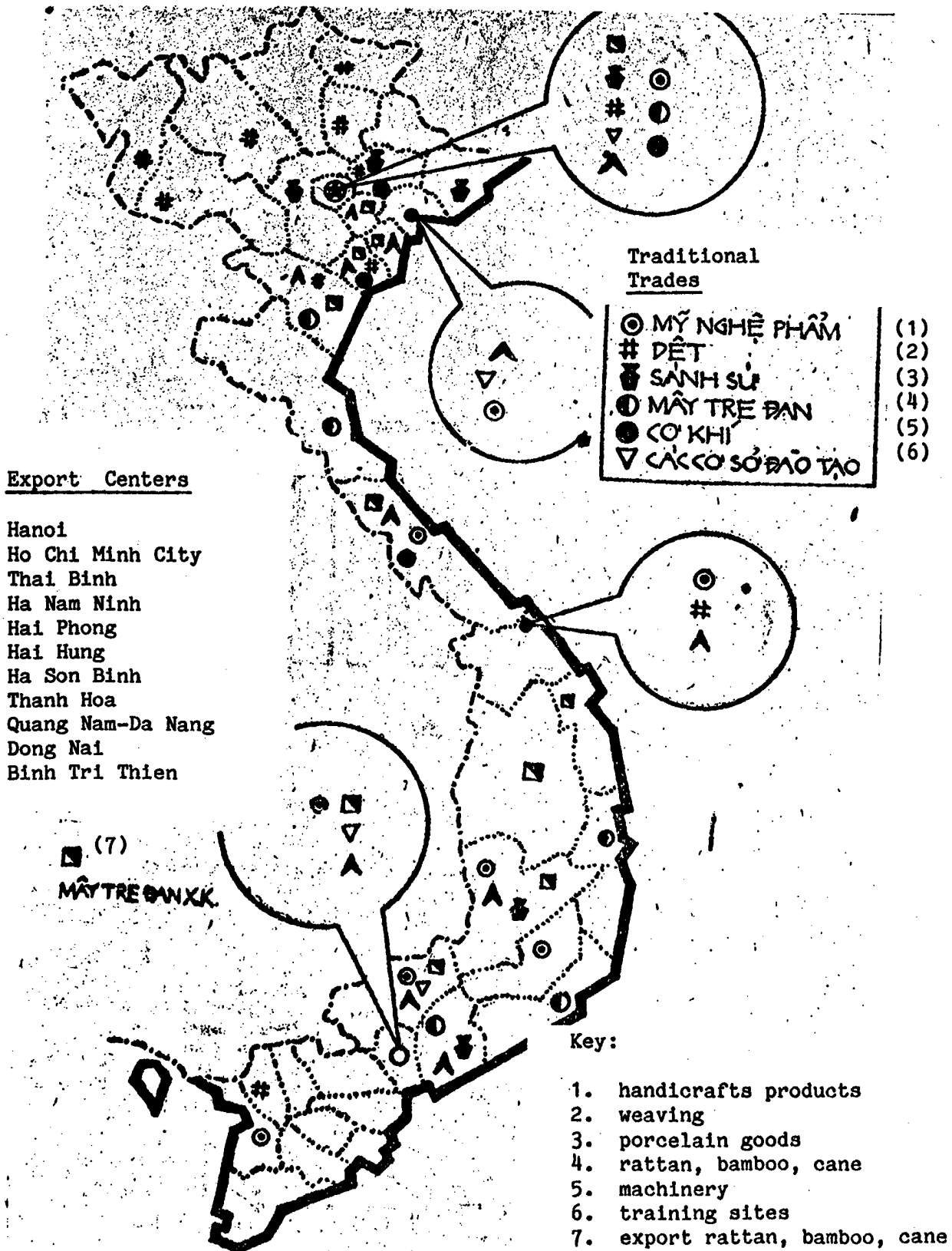
Presently, the total labor of the entire small industry and handicrafts sector in our country is over 1.6 million persons. Total labor in unskilled handicrafts (in agriculture): 374,747 persons. Localities with the largest labor forces are Ha Nam Ninh, with 48,924 persons; Hanoi, with 44,784 persons; and Thai Binh, with 35,421 persons.

Of the total 3,950 cooperatives, 48 percent participate in social security; of the 5,895 cooperation teams, 16 percent participate. Provinces and municipalities that have done well in the social security drive are Hanoi, Hai Hung, Thai Binh, and Ha Nam Ninh.

To train and develop cadres and workers, the provinces and municipalities of Hai Phong, Ha Son Binh, Thanh Hoa, Hanoi, Ha Nam Ninh, and Quang Ninh have trade schools. Ha Son Binh has two schools: an art and handicrafts school and a trade school.

In social welfare, Hai Phong, Thanh Hoa, Ha Nam Ninh, and Hue have separate rest homes and clinics for small industry and handicrafts workers. The Do Son rest home of the Central Federation of Small Industries and Handicrafts issued 1,447 leaves and 1,134 non-scheduled leaves from 1983 to 1985.

# NATIONWIDE DISTRIBUTION OF SMALL INDUSTRY AND HANDICRAFTS



1981-1985 5-year Plan Concluded in 1985; Preparations Made for Implementation of the 1986-1990 Plan

Total Output Value in Small Industry and Handicrafts Nationwide, 1985: 44.959 Billion Dong (old currency)

p2 billion dong and more:

(million dong)

--Ho Chi Minh City	14.122
--Quang Nam-Da Nang	2,935
--Hau Giang	2,650
--Hanoi	2,215

From 1 to under 2 billion dong

--Cuu Long	1.680
--Ben Tre	1.600
--Nghia Binh	1.420
--Phu Khanh	1.384
--Tien Giang	1.300
--Ha Nam Ninh	1.235
--Binh Tri Thien	1.220

From 500 million to under 1 billion dong

--Nghe Tinh	980
--Minh Hai	970
--Dong Nai	950
--An Giang	820
--Thanh Hoa	800
--Ha Son Binh	761
--Hai Phong	750
--Hai Hung	745
--Dong Thap	705
--Long An	700
--Thai Binh	685
--Ha Bac	523

Under 500 million dong

--Song Be	485
--Vinh Phu	481
--Kien Giang	450
--Thuan Hai	400
--Lam Dong	454
--Quang Ninh	250
--Hoang Lien Son	200
--Bac Thai	180
--Dac Lac	173
--Tay Ninh	172
--Gia Lai-Kon Tum	170
--Vung Tau-Con Dao	170
--Cao Bang	103
--Lang Son	100

--Son La	98
--Ha Tuyen	85
--Lai Chau	39

Exports for 1985 Nationwide: 4.537 Billion Dong

From 100 to 1.88 billion dong

--Ho Chi Minh City	1,880
--Hanoi	373
--Ha Nam Ninh	240
--Ha Son Binh	227
--Quang Nam-Da Nang	185
--Dong Nai	180
--Thai Binh	168
--Hai Phong	154
--Thanh Hoa	140
--Nghia Binh	100

From 50 to under 100 million dong

--Song Be	88
--Binh Tri Thien	85
--Long An	80
--Hai Hung	78
--Phu Khanh	63
--Tien Giang	57

Under 50 million dong

--Nghe Tinh	38
--Vung Tao-Con Dao	36
--Minh Hai	35
--Ha Bac	35
--Quang Ninh	30
--Cuu Long	35
--Tien Giang	30
--Lam Dong	28
--Thuan Hai	26
--Kien Giang	23
--Dong Thap	20
--Vinh Phu	18
--Bac Thai	12
--Son La	12
--Ha Thuyen	12
--Tay Ninh	10
--Dac Lac	7
--Cao Bang	6
--Ben Tre	6
--An Giang	5
--Gia Lai-Kon Tum	3
--Hoang Lien Don	1.5
--Lai Chau	1.5

Output Value of the Small Industry, Handicrafts Sector in 1985 (in millions of dong):

--Chemicals, rubber, plastics	3,250	= 72 percent
--Machinery, metals	7,654	= 17 percent
--Construction materials	2,950	= 6.55 percent
--Porcelain, crystal	1,020	= 2.25 percent
--Processed forestry products	6,500	= 14.45 percent
--Processed foods	14,779	= 32.8 percent
--Weaving, leather, garments	6,700	= 14.88 percent
--Other industries	2,106	= 4.68 percent

Output Value by Forms of Small Industry, Handicrafts Organizations, 1985 (in millions of dong):

A. Trades:	39,639	= 100 percent
--cooperatives	9,230	= 23.3 percent
--production teams	9,276	= 23.4 percent
--individual	21,133	= 53.3 percent
B. Businesses	5,320	= 100 percent
--in agriculture	4,900	= 92.1 percent
--in sectors	420	= 7.9 percent

Main Products, 1985

Improved carts	37,500	items
Various ploughs	263,000	items
Farm hand implements	10,696,000	items
Sheet iron goods	4,200	tons
Aluminum goods	4,925	tons
Bicycle frames	215,000	items
Bicycle accessories	3,335	tons
Soap	10,197	tons
Alum	7,000	tons
Lime	674,600	tons
Refined bricks	1,930,000	items
Refined tiles	373,800,000	items
Crystal	18,386	tons
Common use pottery	111,456,000	items
Colored fabrics	58,060,000	meters
Miscellaneous fabrics	119,792,000	meters
Face towels	64,000,000	ch (sic)
Domestic mats	13,023,000	c (sic)
Export mats	12,467,000	square meters
Dyed bamboo blinds	1,500,000	square meters
Painted bamboo blinds	600,000	square meters
Palm blinds	356,000	square meters
Garments	743,400	square meters
Brooms	6,582,000	items
Lace	15,900	square meters
Colored embroidery	203,000	square meters

Jute mats of all types	1,988,000 square meters
Wool carpets of all types	237,000 square meters
Corn plant fiber mats	591,000 square meters
Fish sauce	66,781,000 liters
Fish paste	14,326,000 liters
Syrup	310,000 tons

Export Products, 1985

Value of Export Goods (in millions of dong)	4,537
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Main Export Goods:

Embroidery (1,000 sets)	203
Rush mats (1,000 square meters)	12,467
Jute mats (1,000 square meters)	1,988
Wool rugs (1,000 square meters)	287.2
Corn plant mats (1,000 square meters)	591.2
Painted bamboo shades	601
Dyed bamboo shades	1,501
Palm shades	353
Taylored shades	743,400
Brooms (1,000 items)	6,582
Lace (1,000 square meters)	15,100

9830

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- END -